

The VICE PRESIDENT. The Senator from Maine offers a resolution for adoption, which the Secretary will read:

The Secretary read the resolution (S. Res. 249), as follows:

Resolved, That as a further mark of respect to the memory of WILLIAM PIERCE FAYE the Senate do now adjourn.

The VICE PRESIDENT. The question is on agreeing to the resolution submitted by the Senator from Maine.

The resolution was unanimously agreed to; and (at 4 o'clock and 10 minutes p. m.) the Senate adjourned until to-morrow, Friday, March 15, 1912, at 2 o'clock p. m.

HOUSE OF REPRESENTATIVES.

THURSDAY, March 14, 1912.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father in heaven,
We can not always trace the way
Where Thou, Almighty One, dost move;
But we can always, always say
That God is love.
There are no errors in the great eternal plan,
And all things work together
For the final good of man.

Yet we know that wrong is wrong and right is right, and Thou hast laid upon us the stupendous responsibility of the power of choice. To do wrong is to retard the coming of Thy kingdom; to do right is to hasten the final good of man. Help us, therefore, as rational beings, to work together with Thee that we may hasten the coming of Thy kingdom. In the spirit of the Lord Jesus Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

TAX ON INDIVIDUAL AND COPARTNERSHIP BUSINESS.

Mr. UNDERWOOD, from the Committee on Ways and Means, reported a bill (H. R. 21214) to extend the special excise tax now levied with respect to doing business by corporations to persons, and to provide revenue for the Government by levying a special excise tax with respect to doing business by individuals and copartnerships, which was read a first and second time, referred to the Committee of the Whole House on the state of the Union, and, with the accompanying report (No. 416) ordered to be printed.

Mr. LONGWORTH. Mr. Speaker, I desire to present the views of the minority on the same measure, and I ask unanimous consent that they be printed with the report (H. Rept. 416, pt. 2).

The SPEAKER. The gentleman from Ohio asks unanimous consent to have the views of the minority printed with the report. Is there objection?

There was no objection.

MESSAGE FROM THE SENATE.

A message from the Senate by Mr. Crockett, one of its clerks, announced that the Senate had passed joint resolutions of the following titles, in which the concurrence of the House of Representatives was requested:

S. J. Res. 89. Joint resolution to amend the joint resolution to prohibit the export of coal or other materials used in war from any seaport of the United States;

S. J. Res. 87. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point Messrs. Humberto Mencia and Juan Dawson, of Salvador; and

S. J. Res. 88. Joint resolution relative to the transfer of all books, maps, and other documents now in the possession of the National Monetary Commission.

SENATE JOINT RESOLUTIONS REFERRED.

Under clause 2 of Rule XXIV, joint resolutions of the following titles were taken from the Speaker's table and referred to their appropriate committees as indicated below:

S. J. Res. 87. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point Messrs. Humberto Mencia and Juan Dawson, of Salvador; to the Committee on Military Affairs.

S. J. Res. 88. Joint resolution relative to the transfer of all books, maps, and other documents now in the possession of the National Monetary Commission; to the Committee on Banking and Currency.

EXPORTATION OF COAL, ARMS, ETC.

Mr. GARNER. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate joint resolution 89, and I ask the Speaker to lay it before the House for the action of the House.

The SPEAKER. The gentleman from Texas asks unanimous consent for the present consideration of Senate joint resolution 89. Is there objection?

Mr. PAYNE. Let the resolution be read, Mr. Speaker.

Mr. MANN. Let it be read for information.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Joint resolution (S. J. Res. 89) to amend the joint resolution to prohibit the export of coal or other material used in war from any seaport of the United States.

Resolved, etc., That the joint resolution to prohibit the export of coal or other material used in war from any seaport of the United States, approved April 22, 1898, be, and hereby is, amended to read as follows:

That whenever the President shall find that in any American country conditions of domestic violence exist which are promoted by the use of arms or munitions of war procured from the United States, the President is hereby authorized, in his discretion, and with such limitations and exceptions as shall seem to him expedient, to prohibit by proclamation the export of arms or munitions of war from any place in the United States to such country until otherwise ordered by the President or by Congress.

Sec. 2. That the shipment of any material prohibited by such a proclamation shall be punishable by fine not exceeding \$10,000, or imprisonment not exceeding two years, or both.

Mr. ADAMSON. Mr. Speaker, reserving the right to object, I should like to say that my attention was called to a similar resolution referred to the Committee on Interstate and Foreign Commerce by the distinguished gentleman from New York [Mr. LITTLETON], and the illustrious chairman of the Judiciary Committee, Mr. CLAYTON.

I examined the bill and reached the conclusion, which I think is a correct one, that it is not a matter which should be held up for consideration by our committee, and that I have no objection to the action suggested by the gentleman from Texas, that the matter be taken up and considered immediately.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, it is unusual under the recent practice of the House—the rules now providing for a Unanimous Consent Calendar—to give recognition to ask unanimous consent for the consideration of a measure. This measure could, if reported, be placed upon the Unanimous Consent Calendar for Monday, and whether reported or not, might be passed under suspension of the rules on Monday if recognition were given for that purpose. But in consideration of the emergency in this case, and without intending that it shall create a precedent for ordinary bills, I shall not object.

The SPEAKER. The Chair is obliged to the gentleman from Illinois for making that statement. If he had not made it, the Chair would have made it himself. Is there objection?

There was no objection.

Mr. GARNER. Mr. Speaker, I yield to the gentleman from Alabama [Mr. CLAYTON].

Mr. CLAYTON. Mr. Speaker, the Committee on the Judiciary had the subject matter of this resolution under consideration at its meeting this morning, and that committee instructed me, in anticipation of the coming of this resolution to the House to-day from the Senate, to ask unanimous consent for the consideration of the resolution and that it be amended in two particulars—that the amendments be agreed to and that the Senate joint resolution as so amended be passed. And it is in pursuance of that resolution and the direction of the Committee on the Judiciary that I join in the request for unanimous consent for the present consideration of the resolution. Mr. Speaker, unanimous consent having been given for the present consideration of the resolution, I now move the following amendments.

Beginning in line 10, page 1, strike out the following:

The President is hereby authorized, in his discretion and with such limitations and exceptions as shall seem to him expedient, to prohibit by proclamation the export of.

And insert in lieu thereof the following:

And shall make proclamation thereof, it shall be unlawful to export, except under such limitations and exceptions as the President shall prescribe, any.

Beginning in line 3, page 2, strike out the following:

The shipment of any material prohibited by.

And insert in lieu thereof the following:

Any shipment of material hereby declared unlawful after.

So that the resolution as amended will read as follows:

Resolved, That the joint resolution to prohibit the export of coal or other material used in war from any seaport of the United States, approved April 22, 1898, be, and hereby is, amended to read as follows:

That whenever the President shall find that conditions of domestic violence exist in any American country which are promoted by the use of arms or munitions of war procured from the United States, and shall make proclamation thereof, it shall be unlawful to export, except under such limitations and exceptions as the President shall prescribe, any arms or munitions of war from any place in the United States to such country until otherwise ordered by the President or by Congress.

SEC. 2. That any shipment of material hereby declared unlawful after such a proclamation shall be punishable by fine not exceeding \$10,000, or imprisonment not exceeding two years, or both.

Mr. BURLERSON. Mr. Speaker, will the gentleman yield?

Mr. CLAYTON. Yes.

Mr. BURLERSON. As I understand it, the two amendments suggested by the gentleman from Alabama meet with the approval of the author of the resolution, the senior Senator from New York [Mr. ROOR].

Mr. CLAYTON. They do. The Committee on the Judiciary accorded a hearing this morning to the author of the Senate joint resolution 89, and these amendments, I may say, are the result of the joint labor of the Senator from New York [Mr. ROOR] and of the gentleman from New York [Mr. LITTLETON], each of whom introduced a resolution upon this subject, one in the Senate and one in the House. These amendments are the joint product of those two gentlemen, and meet with the approval of the Committee on the Judiciary.

Mr. MANN. Mr. Speaker, will the gentleman yield for a question?

Mr. CLAYTON. Yes.

Mr. MANN. The amended resolution as suggested by the chairman of the Committee on the Judiciary does not change in any way the substantive effect of the resolution, does it? Is it a mere change of the language?

Mr. CLAYTON. It does not change the substantive effect of the resolution. It is a change in the language. It does not change the intention of the resolution or its substance. It merely makes it more clear and free from criticism.

Mr. MANN. In what respect does it make it more clear?

Mr. GARNER. It makes it a little bit more grammatical, I take it.

Mr. NORRIS. No; it does more than that.

Mr. CLAYTON. Mr. Speaker, it takes away from it possible criticism of the language in the original resolution. The gentleman from Illinois [Mr. MANN], I am quite sure, has read the case of *Field v. Clark* (143 U. S.), where the objection was made to the act there under consideration by the court, that the language employed in the act was a delegation of congressional power to the President of the United States. The court did not agree with that view or with that criticism of the act there under consideration. The amendments make the language entirely free from the criticism which might be suggested; that is, that the unamended resolution would be a delegation of certain legislative powers to the President of the United States, whereas these amendments make it clear that it is not a delegation of any legislative power to the President, but confers a mere administrative function upon him.

Mr. MANN. When the gentleman's amendment was first reported I got the impression, which, I think, was a mistaken impression, that this required the President to make a proclamation whenever disorder existed, which was promoted by arms, and so forth—

Mr. CLAYTON. It relates to an administrative matter.

Mr. MANN. As I understand the resolution, as now suggested, it would not take effect until the President had made a proclamation, and he is not required to make the proclamation unless he chooses to do so.

Mr. CLAYTON. That is correct.

Mr. MANN. What I had in mind was this. I do not believe that it should be required that the President shall make proclamation against the shipment of arms and munitions of war whenever some local disorder happens in any of the American States. The President ought to have the right to say whether that disorder has reached the point where he is required to make a proclamation.

Mr. GARNER. This resolution, as amended, gives him that entire discretion.

Mr. CLAYTON. I think that latitude is left with the President.

Mr. GARNER. And if I understand it, it meets the approval of both the Senator from New York [Mr. ROOR] and the gentleman from New York [Mr. LITTLETON].

Mr. CLAYTON. It does. With the permission of the gentleman from Texas [Mr. GARNER], I will ask that the gentleman from New York [Mr. LITTLETON] be heard.

Mr. LITTLETON. Mr. Speaker, the change in the resolution as between the Senate resolution and the one now proposed with the amendments is simply this: In the original resolution, as passed by the Senate, provision was made that the President—

is hereby authorized, in his discretion and with such limitations and exceptions as shall seem to him expedient, to prohibit by proclamation the export of arms, etc.

As amended we propose that it shall read:

That whenever the President shall find that conditions of domestic violence exist in any American country which are promoted by the use of arms or munitions of war, procured from the United States, and shall make proclamation thereof, it shall be unlawful to export, except under such limitations and exceptions as the President shall prescribe, any arms or munitions of war, etc.

In other words, the resolution as it came from the Senate made a violation of the President's prohibition a crime, whereas as now amended it makes the violation of the act of Congress a crime when the President shall have proclaimed a certain state of facts to exist. It therefore avoids the criticism which has heretofore been made upon those acts.

Mr. GARNER. Mr. Speaker, I do not desire to discuss the amendments. What I want is the immediate passage of the resolution; so I suggest that the amendments be adopted and the resolution do pass.

The SPEAKER. The Clerk will report the amendments.

The Clerk read as follows:

Beginning in line 10, page 1, strike out the following:

"The President is hereby authorized, in his discretion and with such limitations and exceptions as shall seem to him expedient, to prohibit by proclamation the export of."

And insert in lieu thereof the following:

"And shall make proclamation thereof, it shall be unlawful to export, except under such limitations and exceptions as the President shall prescribe, any."

The SPEAKER. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

Beginning in line 3, page 2, strike out the following:

"The shipment of any material prohibited by,"

And insert in lieu thereof the following:

"Any shipment of material hereby declared unlawful after."

The SPEAKER. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

The SPEAKER. The question now is on the third reading of the amended Senate joint resolution.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. GARNER, a motion to reconsider the vote by which the resolution was passed was laid on the table.

THE SUGAR SCHEDULE.

Mr. UNDERWOOD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 21213) to amend an act entitled "An act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes," approved August 5, 1900.

The SPEAKER. The question is on agreeing to the motion of the gentleman from Alabama that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 21213.

The question was taken; and there were on a division (demanded by Mr. MANN)—ayes 104, noes 83.

So the motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 21213) to revise the sugar schedule, with Mr. ADAIR in the chair.

The CHAIRMAN. The Clerk will report the bill.

The Clerk read as follows:

A bill (H. R. 21213) to amend an act entitled "An act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes," approved August 5, 1900.

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent to dispense with the first reading of the bill.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that the first reading of the bill be dispensed with. Is there objection? [After a pause.] The Chair hears none.

Mr. UNDERWOOD. Mr. Chairman, this bill makes an entire change in the present law relating to the tax on sugar. The Government of the United States since almost the beginning of its history has levied an import tax on sugar, except when the McKinley bill was enacted into law. It is true that the Wilson bill, when it passed this House, provided for free sugar, but that bill was amended in the Senate, and in conference a tax was placed on sugar imported in the United States. At the time the Republican Party placed sugar on the free list, through the McKinley bill, they provided for a bounty to be paid to the sugar manufacturers, recognizing, from their standpoint, that the sugar manufacturer and producer had a vested right in tariff taxation.

Mr. Chairman, I do not believe any bill has been presented to this House or will be presented to it that more clearly marks

the dividing line between the two great political parties of this country than does the bill now presented for consideration. The minority members of the Ways and Means Committee, in their report on this bill, contend that we are about to destroy a great industry of the United States; that this industry has a vested right in the taxes levied at the customhouse. Mr. Chairman, the position the Republican Party has always taken in reference to taxes levied at the customhouse is that such taxes are for the benefit of industries, and, going one step further, it is but natural for them to recognize a vested interest in the power to tax the American people for special privileges. On the other hand, the party that I represent on this floor has never, from the beginning of its history, contended that it was legitimate to levy taxation for any other purpose than that of raising revenues to support the Government of the United States. [Applause on the Democratic side.]

We have never recognized any man or any industry as owning the vested right in their power to tax the American people. Your party, the descendant of the Federalists and Whigs, have attempted to engraft, and have engrafted, on the legislative history of this country those principles brought here from the English Crown.

Not many years ago I recall having a gentleman in the city of London tell me that one of the great lords of that realm possessed the right to tax every man that went to a certain market of London to sell to the people of that great city their daily food, and that he had a vested right to that privilege; that one of his sainted and decorated ancestors in the days of Queen Elizabeth had been granted that privilege, and the present peer had inherited from his ancestors the right to levy a tax on the sale of food in one of the great marts of London.

Now, there are some gentlemen on that side of the House who pretend that we are committing an unjustifiable act, because we are willing to say and to enact into law the repeal of a tax on food, and to deny that any industry or any man in the United States has a vested right in the privilege of taxing the American people. [Applause on the Democratic side.] This bill, if it becomes a law, will admit free of duty sugar of every kind and description from all the markets of the world. It is contended that if we pass this bill we will destroy an American industry. I do not believe that true, so far as the American sugar-refining companies are concerned; that is, the cane-sugar refining companies. I want to call your attention to what it costs in the various countries of the world to refine sugar in bond, where no tax is levied and where the result is not affected by taxation, and make the comparison as to whether the American refinery is enabled to face free competition with the markets of the world.

These average quotations as to the cost of refining are net cash, in cents per pound, for the year 1910, and relate to sugar in bond in the various countries of the world. They are as follows.

In England refined sugar in bond is quoted for 1910 at 3.706 cents; in Germany, 3.640 cents; in Austria, 3.800 cents; in France, 4.070 cents; and in the United States, 3.532 cents. The result is that sugar is quoted in bond in the United States for the year 1910 cheaper than untaxed sugar in bond was quoted in any of the great European countries that produce sugar.

Now, if that is the case, is it possible that any man can contend that placing sugar on the free list is going to destroy the industry of refining cane sugar in America? I think not. But it is contended that cane sugar is only a portion of the product and that the untaxing of the sugar of the American people might destroy the beet-sugar industry of America.

I want to call your attention to this fact, that the total cost of producing 501,700 tons of beet sugar and the associated by-products in the year 1909 by the beet-sugar factories of America was \$37,353,000; that the value of products as shown by the census returns was \$48,122,000, showing a total profit to the beet-sugar manufacturers of the United States in that year of \$11,000,000, according to the census figures. Their total capital invested amounted to \$129,000,000. It is recognized by all that probably one-half of that capital represents watered stock. Yet, as shown by the census figures, they made a profit on their total capital stock of 9 per cent during the year 1909. That does not look as if this infant industry was struggling for an existence. But they may say, "If you repeal the tax that protects their market you will destroy their profits." But I want to tell you that the investigations made by this House show that the beets in the United States cost the factories here less than in Germany, its competitor.

Mr. FORDNEY. Can the gentleman show official figures for that, please?

Mr. UNDERWOOD. I have not the official figures, but they are contained in the Hardwick report. The report states it,

the witnesses so stated it, and I have not seen it denied. The gentleman publishes in his minority views a lot of ancient figures that are not up to date. Only day before yesterday a man who came from Germany and knew the facts stated to me that during last year the cost in Germany was \$7.50 a ton for beets. The gentleman does not contend that it cost more than \$5 or \$6 in America to-day. There is no one who contends for one moment that the beets of this country have not higher sugar content than the beets of Germany, our principal competitor.

Mr. FORDNEY. Will the gentleman pardon me for a question?

Mr. UNDERWOOD. Yes.

Mr. FORDNEY. I wish the gentleman would kindly show statistics for that.

Mr. UNDERWOOD. I will refer you to the Hardwick report.

Mr. FORDNEY. I think I can show from that it is right the reverse.

Mr. UNDERWOOD. Of course I know there are some beet fields in the United States where the beets are raised under humid conditions and a great deal of water is in them, and that under such conditions there is a low percentage of sugar in the beets. But in Colorado and Utah and portions of California, which are arid sections, I contend that it can not be contradicted that the percentage of actual sugar in the beet is greater than in the beets of any country of Europe.

Mr. HARDWICK. If the gentleman will pardon me, Dr. Wiley swore that before the committee.

Mr. UNDERWOOD. There is no question as to that fact. Now, what is the result? The beet-sugar interests of this country have a cheaper beet at the factory, with a higher sugar content. They have as good machinery to produce the result, and probably better machinery, than their foreign competitor. Yet, although the labor cost at the beet-sugar factories in Europe may be less, the cost of coal in the European countries is far greater, and certainly equalizes the difference in labor cost.

Mr. PICKETT. Will the gentleman yield to a question?

Mr. UNDERWOOD. Certainly.

Mr. PICKETT. I wish to call the attention of the gentleman to the report of the majority, on page 5, where it says that the cost of sugar would average 2.415 cents, and then goes on and observes that it is also ascertained that the cost to the United States is 3.54 cents, or a difference of practically 1.13 cents. In view of the statement the gentleman has made, I thought I would direct his attention to these figures and ask for an explanation.

Mr. UNDERWOOD. That is a quotation from the Hardwick committee. I am stating why I believe that the cost of producing sugar at the American factories is no greater than it is in Germany. I will repeat the statement that the sugar content of the beet in this country on an average is greater and costs less at the mill; and although the labor cost is less in Europe the expense for fuel is greater, and this to a large extent makes up the difference in labor cost.

But, aside from that, the testimony before the Hardwick committee and before the Committee on Ways and Means three years ago is that for a large portion of the American market the beet-sugar refiner of the West has a railroad freight rate that absolutely protects his market. In their report the minority themselves call your attention to the fact that the beet-sugar industry of the United States can not come farther eastward with its product than Pittsburgh and Buffalo and farther south than Arkansas.

Now, what does that mean? They can not come farther than that into the markets of the cane-sugar refiner, because the freight rate becomes prohibitive and drives them back.

That same freight rate that prohibits them from coming into the eastern market also prohibits the foreign sugar, or the refiner of cane sugar, from going westward into their markets, so that they have a market, although not as large probably as they want; not as large as the minority members of the Committee on Ways and Means would like to give them, because they say in their report:

If you extend this tax and continue this tax on the American people, you can create a market for the big beet-sugar refiners that will extend to a territory far beyond what it does at present by reason of the tax.

There is no question about that. If you put a prohibitive import tax on cane sugar and also a prohibitive tax on beet sugar, I have no doubt that you could turn over the entire market of the United States to those who make beet sugar in the western mountains.

But there is no doubt about the fact that if you put sugar on the free list, as designed by this bill, the freight rate will

afford protection for a reasonable market for these beet-sugar refineries in the West. You are not going to destroy the cane refiner, because, according to the report, he is selling his sugar cheaper in the East to-day than his competitors. You are not going to destroy the beet-sugar manufacturer, because he has a freight rate that protects his market just as the freight rate protects the iron and steel market of the Mississippi Valley.

Mr. NORRIS. Mr. Chairman, will the gentleman yield there? The CHAIRMAN. Does the gentleman from Alabama yield to the gentleman from Nebraska?

Mr. UNDERWOOD. For a question.

Mr. NORRIS. Does the gentleman contend that the present market of the beet-sugar factories could be retained on account of this freight-rate protection?

Mr. UNDERWOOD. No; I did not say that. Of course I recognize the fact that the beet-sugar man may not be able to retain his market all the way to Pittsburgh and Buffalo, but there is a western market that he can retain.

Mr. NORRIS. Can the gentleman tell what that is?

Mr. UNDERWOOD. No; I can not; neither can you.

Mr. NORRIS. I admit I can not.

Mr. MURDOCK. At present prices?

Mr. UNDERWOOD. Certainly not at present prices.

Mr. MURDOCK. While the gentleman says that the western manufacturer of beet sugar will be protected by the freight rates, he means protected in what? In the present level of prices?

Mr. UNDERWOOD. Oh, no. He ought not to be protected in the present level of prices. [Applause on the Democratic side.]

Mr. MURDOCK. But will he be?

Mr. UNDERWOOD. I say he ought not to be, and I do not think he will be. He is making to-day, according to the census, 9 per cent on his capitalization, and half of his capitalization is water. He is making 18 per cent on his real capitalization, and that profit is being dragged out of the American people by taxation. [Applause on the Democratic side.]

Mr. MURDOCK. As a matter of fact, the beet-sugar people made 16 per cent last year.

Mr. UNDERWOOD. Well, I am talking about the last census year and giving the gentleman census figures. I have no doubt that the gentleman from Kansas is right and that my figures are conservative and his progressive. [Applause on the Democratic side.]

Mr. FORDNEY. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Alabama yield to the gentleman from Michigan?

Mr. UNDERWOOD. Yes.

Mr. FORDNEY. The gentleman has just stated that he is not in favor of dragging out of the people the present price of sugar. Will the gentleman explain to the House what caused the high price of sugar during the months of August and September and October in the year 1911, when there was no domestic crop on the market?

Mr. UNDERWOOD. It was due, to a large extent, to the Payne-Aldrich Tariff Act, which the gentleman helped to put into law. [Applause on the Democratic side.]

Mr. FORDNEY. That is your answer—if that is satisfactory to you.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Alabama yield to the gentleman from Colorado?

Mr. UNDERWOOD. Yes.

Mr. MARTIN of Colorado. I would like to ask the gentleman if he can name to the House a single large American industry that is not dragging enormous and unjust profits out of the American people, without any reference to the question as to whether it has a tariff on its products or not. Such industries, for instance, as the Oil Trust or the Steel Trust, which latter was shown the other day by a report of one of the committees of the House to be making a profit of 240 per cent annually—

Mr. BARTLETT. Oh, no; that was only on one railroad that it owns.

Mr. UNDERWOOD. That does not justify it; but as a fact there are some industries in this country that do not exist as a result of protection by taxation. One of them is the cotton-growing industry in my own Southland. [Applause on the Democratic side.]

Mr. MARTIN of Colorado. I want to know if the gentleman's statement about dragging the profits out of the people is not altogether begging this question?

Mr. UNDERWOOD. Well, if my friend will allow me to go on I will give my reasons for it. I recognize that we have got to levy taxes at the customhouse in order to produce revenue.

I wish we did not have to levy any taxes at the customhouse. But I do say this, that when you come to levying customhouse taxes the most unjust tax that can be levied on a people is that on the food they consume. [Applause on the Democratic side.]

Now, I want to call your attention to the reason why I say this tax is unjust, and why I say it is dragging money out of the American people to support this industry. The original theory of the Republican Party in favor of protection was not in favor of continuing forever a protective tariff. They contended in the days of Henry Clay—the protectionists of that day contended—that they levied a tariff for protection in order to build up infant industries; but they never contended that the protection should be maintained forever—a burden kept on the people continuously for the purpose of benefiting one man by taxing another.

Now, you should test this case according to the theory of the Republican fathers, not the theory of the standpat Republicans of to-day, who believe in the right to tax the American for the sake of special privilege; but try this case according to the theory of your fathers. You have maintained a tax on sugar almost from the beginning of the Government. When at one time you took it off you taxed the American people in another way and gave a bounty to the sugar producer.

But what is the result of your taxation? We find to-day that it is not building up an industry necessary to supply the American people with sugar. You are hothousing, or attempting to hothouse, a plant where it was not intended to grow. The beet-sugar industry of the United States to-day produces only about one-seventh of the quantity of sugar consumed annually by the American people. The cane-sugar industry in the United States produces to-day only one-tenth of the American consumption. The total sugar that is produced in the United States, both cane and beet, amounts to 1,717,000,000 pounds, or less than one-fourth of the sugar annually consumed by the American people. The total production of beet sugar in the Western States and of cane sugar in Louisiana furnishes the American people with only one-fourth of the amount of sugar that is necessary to supply their needs.

Now you want to continue to maintain a tax of over 1½ cents a pound on every pound of sugar consumed by the American people for the purpose of fostering the growth of an industry that has been protected for generations and still has not developed to the point of independence.

Mr. RUCKER of Colorado. Mr. Chairman, will the gentleman yield right there?

Mr. UNDERWOOD. In just a moment. I want to finish this statement.

Now, what is this costing the American people? The tariff adds \$115,000,000 to the cost of the total annual American sugar supply. Now, as the production here amounts to only 1,717,000,000 pounds, the American people are forced to pay the equivalent of 6.7 cents a pound to foster every pound of American-grown sugar—I mean sugar produced in continental America.

Now, are you going to stand on that? Is that a proposition which you gentlemen propose to take back to your constituents, that wherever the American people are a tax is to be levied on them amounting to the equivalent of 6.7 cents upon every pound of American sugar produced? Are they ready to justify that tax, or to pay it? I think not. I think that when an American industry, after years of experiment, has to be fostered and held up under such conditions, it is time to remove the tax and give the American people a chance for themselves. [Applause on the Democratic side.]

Mr. RUCKER of Colorado. Is the gentleman in favor of giving any protection to any infant industry in the country?

Mr. UNDERWOOD. I will answer the gentleman very candidly. I am surprised that it is necessary for him to ask me that question, after the number of speeches that he has heard me make on the tariff. I do not believe that any tariff for the sake of protection is justified. [Applause on the Democratic side.]

Mr. RUCKER of Colorado. I will ask the gentleman, since when has that become the doctrine of our party?

Mr. UNDERWOOD. It has always been the doctrine of the Democratic Party. [Applause on the Democratic side.] The doctrine of the Democratic Party from the beginning has been that there is no justification to tax the American people except to raise the revenue that is necessary to support the Government. [Applause on the Democratic side.]

Mr. RUCKER of Colorado. One more question. Where does the gentleman draw the line when he speaks of the Republican side of this House being in favor of protection upon the theory that an industry is an infant one? When does the industry become an adult, speaking now with reference to the beet-sugar industry?

Mr. BARTLETT. Never, under a Republican tariff.

Mr. UNDERWOOD. I will say to the gentleman that the time when these infant industries were really infants runs to a time when the memory of the present generation runneth not to the contrary.

Mr. RUCKER of Colorado. But that is not so with the beet industry.

Mr. JAMES. They are all "beet" industries—beating the American people out of money. [Applause on the Democratic side.]

Mr. UNDERWOOD. The beet industry has been in existence 45 years.

Now, Mr. Chairman, I do not intend to detain the committee much longer with this argument. It is contended in the minority report that the American people will not get the benefit of the reduction of this tariff. If you do not reduce the price of sugar to the American people by reducing the tariff, how are your beet-sugar people in the West going to be hurt by the tariff reduction? [Applause on the Democratic side.] If you are going to keep up the price of sugar and the American people will not get the benefit of it, how is competition going to hurt you? But I contend that the American people will get the benefit of this reduction. It is one of the few articles in the entire tariff list where a reduction in tariff duties will be accompanied by a reduction in the price of the commodity.

I want to call your attention to the difference in the wholesale price of sugar at Hamburg, the open market of the world, and the wholesale price at New York. Although, as I pointed out some time ago, sugar in bond in Germany—that is, untaxed—sold in 1910 for more than it did in the United States, while the wholesale price of taxed sugar in Hamburg for 1911 was 2.82 per pound on raw sugar, compared with 4.45 per pound in New York, a difference of 1.63 cents per pound.

Mr. FORDNEY. Will the gentleman permit? Is not that the quotation on European raws, from which we drew not a single pound?

Mr. UNDERWOOD. I will give the gentleman the quotations on granulated, if he is not satisfied.

Mr. FORDNEY. No; I am speaking of raw sugar.

Mr. UNDERWOOD. Oh, certainly; but it is the price, whether they come from there or not.

Mr. FORDNEY. Oh, no.

Mr. UNDERWOOD. Here is your granulated sugar. In 1911 the wholesale price of granulated sugar in Hamburg was 3.20 cents per pound, while in New York it was 5.34 cents, a difference of 2.14 cents per pound, or more than the difference in the tariff with the freight rate added. Yet the gentleman contends that if we take away this tariff tax it will not affect the market.

Mr. FORDNEY. What will be the effect on domestic sugar, of the sugar refined by the trust that you propose now to aid?

Mr. UNDERWOOD. It is refined sugar in New York. Whether it is Louisiana sugar, Cuban sugar, or Philippine sugar makes no difference to the American people. It is the price of sugar.

Mr. FORDNEY. That was the price fixed by the institution that you propose in your bill to aid—the Sugar Trust.

Mr. UNDERWOOD. Now, Mr. Chairman, the gentleman brings this argument down to a point where he stands behind his last breastwork. Think of the beet-sugar industry of this country contending that the Democratic Party is in favor of free sugar for the purpose of aiding the American Sugar Refining Co., or the Sugar Trust!

Mr. FORDNEY. Absolutely, that is my contention.

Mr. UNDERWOOD. Just let me present a picture to you. Who maintains this American Sugar Refining Co.? Who is it that votes for the Republican Party? Who were in partnership with the Sugar Trust when, by a secret spring, it robbed this Government of millions of dollars? Republican officials in the State of New York. [Applause on the Democratic side.] You never could trace the trail of the Sugar Trust into the Democratic camp. [Applause on the Democratic side.] Talk about our putting sugar on the free list for the benefit of the American Sugar Trust! Democratic hands have been clean since the beginning, so far as that trust is concerned.

Mr. PAYNE. Did not the Sugar Trust contribute a large amount to the gentleman's party, campaign after campaign?

Mr. UNDERWOOD. I have never known it.

Mr. PAYNE. Everybody else in the United States has known it. I do not know whether the gentleman can find it out. The Democratic officers of the Sugar Trust said so. They are on record.

Mr. UNDERWOOD. I should like to have the gentleman produce his proof. I have never seen it or heard it.

Mr. HINDS. Does the gentleman from Alabama yield?

Mr. UNDERWOOD. I will.

Mr. HINDS. I will say, on my own—

Mr. UNDERWOOD. I yield for a question; not for a speech.

Mr. HINDS. I thought the gentleman asked if anyone could produce evidence, and said he had not seen the evidence.

Mr. UNDERWOOD. I do say so. I never have seen it, and I do not believe there is any.

Mr. HINDS. If the gentleman will go to the office of the American Sugar Refining Co., in New York City, and ask for their ledger and look at the special account, he will find that on the same day large sums of money were paid to men identified first with the Republican Party and next with the Democratic Party as managers and treasurers of their organizations.

Mr. HARDWICK. And the gentleman will also find that the check sent to the Democratic Party was returned and the check sent to the Republican Party was cashed and spent in the election. [Applause on the Democratic side.]

Mr. HINDS. We traced that out. The check sent to the Democratic Party was deposited in the bank, and after being deposited in the bank was withdrawn and the top of it torn off; and if you will study contemporary literature you will see that no motive of virtue inspired that Democratic campaign manager. [Cries of "Oh!" on the Democratic side.]

Mr. UNDERWOOD. Nevertheless the Democratic Party did not get the money and the Republican Party did. [Applause on the Democratic side.]

Mr. HINDS. Possibly there may be some virtue in a man in that situation who is compelled to disgorge, but I can not see it. [Cries of "Oh!" on the Democratic side.]

Mr. UNDERWOOD. Mr. Chairman, I will tell you why the American Sugar Refining Co. is not in favor of free sugar here. It is not to their interest to be. They get to-day a 20 per cent reduction on all sugar that comes from Cuba, and more than one-half of the raw sugar that comes into this country is from Cuba. The American Refining Co. gets that reduction. This is to their advantage in facing competition with the world. It is not the differential on sugar that is their protection. The greatest protection that the American sugar refiner gets to-day is the reduction of 20 per cent in the duty on sugar imported from Cuba. Now, if you put sugar on the free list, the American refiner is deprived of that advantage over the foreign producer.

The result of giving them that 20 per cent reduction on the cost of raw sugars has been so effective in the past that there is practically no refined sugar imported into this country, but when you take all taxes off and give the refiner no advantage over his foreign competitor, in reference to Cuban sugar, he is deprived of that protection just as well as the beet-sugar man is deprived of his protection.

Mr. AUSTIN. Mr. Chairman, may I ask the gentleman a question?

Mr. UNDERWOOD. I will say to the gentleman that I am anxious to conclude.

Mr. AUSTIN. I really want to vote for the gentleman's bill, but I want a certain matter cleared up to my satisfaction.

Mr. UNDERWOOD. My time is nearly up, and I will ask the gentleman to hasten with his question.

Mr. AUSTIN. We put hides on the free list, and yet there was no reduction in the price of leather or the price of shoes. If I believed—and I am a standpat Republican on the tariff—that the consumer was going to get a reduction of a cent and a half a pound—

Mr. LANGLEY. Or any substantial reduction.

Mr. AUSTIN. Or any substantial reduction, I would vote for the bill; and if the gentleman will amend the bill so that in the event there is not a substantial reduction to the consumer the present tariff on sugar shall be restored, I will support the bill, if so amended.

Mr. LANGLEY. And so will I.

Mr. UNDERWOOD. Mr. Chairman, my friend is very hard to convince, but I desire to call his attention to what Mr. Claus Spreckels, one of the independent refiners of sugar, stated in the hearings before the Committee on Ways and Means in the consideration of the Payne bill.

Mr. Spreckels testified that the price of refined sugar to the American consumer is affected to the full extent of the duty. Further, in reply to the inquiry as to whether the exemption of sugar from duty would reduce the price by the amount of the duty Mr. Spreckels replied, "By the amount of the duty." Further confirmation of the fact that the full amount of the tariff tax on sugar is transferred to the consumer in the form of increased prices is found in the evidence of Mr. Wallace P. Willett, a recognized sugar statistical expert, in his testimony before the special Hardwick committee, page 3547, where he says:

Whenever duty is taken off, the consumer gets the full benefit of the amount of duty taken off and also a part of the lower cost of refining.

Mr. Chairman, there is no doubt but that if you take the duty off sugar the consumer will get the benefit. That was demon-

strated when the Republican Party passed the McKinley bill. Almost immediately after the enactment of the McKinley bill into law the price of sugar dropped about 2 cents a pound to the American consumer.

Mr. FORDNEY. Mr. Chairman, will the gentleman yield for a question? I want to ask him if he does not know that on page 3977 and on page 3978 Mr. Willett takes back every word that the gentleman has quoted him as having said?

Mr. UNDERWOOD. Mr. Chairman, I have not been advised to that effect, and if he does, I have overlooked it.

Mr. MARTIN of Colorado. Mr. Chairman, I dislike to interrupt the gentleman from Alabama, but I am very anxious to ask him a question on the point that he is just making. I am not sure that the figures which I have are correct, I am not authority for them, but I have been informed that for the 4 years during the operation of the McKinley bill, under free sugar, the average wholesale price of sugar in New York City was \$4.84 per hundred, and that during the 16 years since that time, excluding last year, the price ranged about \$4.60 per hundred; in other words, the average price for the 4 years under the McKinley bill, the wholesale price, ranged slightly higher than it did during the 14 years succeeding, under the Dingley law.

Mr. UNDERWOOD. Mr. Chairman, the gentleman is mistaken. Here are the figures:

Average American prices of raw and refined sugars before and after formation of the trust (terms net cash).

[Bureau of Statistics, Department of Commerce and Labor.]

Years.	Raw 96°-test centrifugals (cents).	Tariff changes.	Refined granulated (cents).	Margin between raw and refined (cents).
1885.....	5.729		6.441	0.712
1886.....	5.336		6.117	.781
1887.....	5.245		6.013	.768
1888.....	5.749		7.007	1.258
1889.....	6.433		7.640	1.207
1890.....	5.451		6.171	.720
1891.....	3.863		4.691	.828
1892.....	3.311		4.346	1.035
1893.....	3.089		4.842	1.153
1894.....	3.240		4.120	.880
1895.....	3.270		4.152	.882
1896.....	3.624		4.532	.908
1897.....	3.557		4.503	.946
1898.....	4.235		4.965	.730
1899.....	4.419		4.919	.500
1900.....	4.566		5.320	.754
1901.....	4.047		5.050	1.003
1902.....	3.542		4.455	.913
1903.....	3.720		4.638	.918
1904.....	3.974		4.772	.793
1905.....	4.278		5.256	.978
1906.....	3.686		4.515	.829
1907.....	3.756		4.049	.893
1908.....	4.073		4.957	.884
1909.....	4.007		4.765	.758
1910.....	4.188		4.972	.784

¹ Decrease in European crop supply of 1,000,000 tons. ² Short crop in Cuba.

³ Increase in European crop supply of 2,000,000 tons. ⁴ Short crop in Europe.

Mr. MARTIN of Colorado. I propose to follow up this matter. I will say that I am not sponsor for those figures, but they were given to me by a well-informed gentleman who is usually very accurate.

Mr. UNDERWOOD. I will say to the gentleman that I have the official prices of sugar.

Mr. MARTIN of Colorado. I do not question the drop at the beginning, but I take the full average for the whole 14 years.

Mr. UNDERWOOD. As shown in this table of prices, the enactment of the McKinley law putting sugar on the free list reduced the price of sugar about 2 cents a pound.

Mr. BROUSSARD. Mr. Chairman, will the gentleman yield?

Mr. UNDERWOOD. Certainly.

Mr. BROUSSARD. Is it not a fact that during the four years that the McKinley law was in force and when sugar was on the free list the average price paid by the American consumer for sugar was practically the same as it was for the four preceding years and the four succeeding years?

Mr. UNDERWOOD. I do not think so.

Mr. BROUSSARD. That is the fact.

Mr. UNDERWOOD. The gentleman is mistaken. I consulted the figures only yesterday, and I know that when the McKinley bill was enacted into law sugar dropped about 2 cents a pound.

Mr. BROUSSARD. I am talking about the price to the consumer. We are speaking of the consumer.

Mr. UNDERWOOD. And I am talking of the wholesale price of sugar.

Mr. BROUSSARD. The gentleman's bill intends to reduce the price to the consumer.

Mr. UNDERWOOD. Certainly it will.

Mr. BROUSSARD. Is it not a fact that the consumer paid just as much and above and beyond the price he formerly paid when sugar was not on the free list, and contributed 2 cents a pound for every pound of sugar produced in the United States?

Mr. UNDERWOOD. I do not think he did.

Mr. BROUSSARD. I am certain that he did.

Mr. UNDERWOOD. I quote the wholesale prices. If some corner groceryman held up the price to his customers, that is another matter. I do not know whether that is so or not.

Mr. BROUSSARD. Will he not do it again?

Mr. UNDERWOOD. No; he will not.

Mr. BROUSSARD. Why will he not?

Mr. UNDERWOOD. Because when you fix the policy of the United States to put sugar on the free list, and have absolute competition with the markets of the world, that world-wide competition will bring down the price.

Mr. BROUSSARD. But it was on the free list under the McKinley bill, and that opened this market to the markets of the world.

Mr. UNDERWOOD. And it brought down the price.

Mr. BROUSSARD. I would like to see the gentleman's figures.

Mr. RANDELL of Louisiana. Mr. Chairman, I would like to ask the gentleman from Alabama a question, and I will ask unanimous consent that his time be extended in order that I might ask that question. He has entirely ignored Louisiana. I want to ask him something about Louisiana sugar.

Mr. UNDERWOOD. I have only five minutes remaining.

Mr. RANDELL of Louisiana. I ask unanimous consent that the gentleman's time be extended for five minutes.

The CHAIRMAN. The gentleman declines to yield.

Mr. UNDERWOOD. If the gentleman will ask his question I will try to answer it.

Mr. BROUSSARD. I desire to ask the gentleman another question.

Mr. UNDERWOOD. I have not the time.

Mr. RANDELL of Louisiana. I notice the gentleman entirely failed in his report upon this bill to say anything of the effect of the bill upon Louisiana sugar. He discussed the effect on beet sugar, but says nothing about its effect on Louisiana sugar. I have followed the gentleman's speech very carefully, and he has not alluded to the possible effect of the bill upon the Louisiana industry. I would like to have him now explain that, if he will.

Mr. UNDERWOOD. Certainly, if the gentleman will allow me to proceed to close, I will. Mr. Chairman, the gentleman brings me to the point with which I desire to conclude. He says that I have not referred to Louisiana nor given statistics as to whether the Louisiana industry can survive or not. I will say to the gentleman candidly that I do not know. I do not know whether it can or not. I hope it can, but I want to say this, that of the total amount of sugar that is consumed by the American people, the State of Louisiana produces about one-tenth. The American people were taxed \$52,000,000 at the customhouses in 1911, and over \$60,000,000 by the refiners and producers of sugar to maintain this industry. I am not prepared to say that the Louisiana industry can survive, but I can say, that there is no principle in the Democratic Party that justifies any man in saying that we should maintain a tax of \$115,000,000 upon the bellies of the poor people of America in order to maintain an industry in Louisiana which can not produce one-tenth of the sugar used by the American people. [Applause.]

Mr. RANDELL of Louisiana. Is it not a fact that we have maintained a very considerable duty on this Louisiana industry since 1789 without one single moment of delay, and is it not a further fact that the Democratic Party in its last expression of opinion at Denver declared for a gradual reduction of the tariff, to reduce it to a revenue basis, and never has declared for complete and absolute destruction of any great business which has been fostered for all of these years? [Applause.]

Mr. UNDERWOOD. Mr. Chairman, answering the gentleman's question, as I stated, I do not know whether the removal of this tax will destroy the sugar industry in Louisiana or not. I hope it will not, but I do say that with sugar in Porto Rico, sugar in the Philippines, sugar in our continental possessions, it does not represent an economic truth for the gentleman from Louisiana or myself to stand for a position that necessitates the American people to be taxed over \$100,000,000 in order to foster an industry, which the gentleman in his own statement admits has been fostered for a hundred years and which he says can not survive without the protecting hand of the Government of the United States. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANN. Mr. Chairman, does the gentleman desire more time so that he can answer questions of gentlemen on the floor?

Mr. UNDERWOOD. Mr. Chairman, I will say to the gentleman from Illinois that, as the time will be limited, I do not think any gentleman ought to occupy more than an hour. I would object to any other gentleman occupying more than an hour, and I shall not ask it myself.

Mr. MANN. As the gentleman himself introduces the bill and undertakes to explain it, it seems to me he ought to have time enough in which to answer any questions which any gentleman may desire to ask.

Mr. UNDERWOOD. I think I have fully explained the bill to those who want an explanation.

Mr. MANN. I want an explanation. Perhaps I am not intelligent enough to understand the gentleman's explanation.

Mr. JAMES. Mr. Chairman, I demand the regular order.

Mr. MANN. There are many gentlemen who require more time. If the gentleman does not want to answer or give information, we will not compel him to.

Mr. McCALL. Mr. Chairman, I do not know the purpose of the incursion that the gentleman from Alabama made into American history, but its effect clearly was to prove that this bill was in violation of every Democratic precedent which has ever been set upon the subject of sugar. He demonstrated absolutely that we have had a tax upon sugar in this country ever since the formation of the Constitution, except during two or three years under the operation of a Republican tariff bill. He now announces a theory which is novel in the history of his party and which is violated by every chancellor of the exchequer in the civilized world, and claims that sugar should be put absolutely upon the free list. I submit that the distinguished gentleman has entirely failed to give any reason in a broad discussion of the financial aspect of this bill why we should depart from the almost uniform practice in the United States and from the uniform custom of foreign nations and put sugar upon the free list.

The gentleman from Alabama [Mr. UNDERWOOD], who is the very worthy leader of his party, yesterday had a colloquy with the gentleman from New York [Mr. PAYNE], the ranking Republican member upon the Committee on Ways and Means, and it seemed to me that their attitude at that time very clearly illustrated the difference in the methods of those gentlemen with regard to dealing with tariff matters. The gentleman from New York [Mr. PAYNE] was in favor of discussing a question of this great importance and the gentleman from Alabama was suddenly possessed with a notion that it was necessary to pass it practically without debate.

The gentleman from New York [Mr. PAYNE] has shown himself a very prudent steward of the Treasury. When he brought in his tariff bill two years ago he found a great deficit in the Treasury, and he had in mind to meet the main purpose of a tariff bill, and under the operation of the law which bears his name that deficit was dispelled and gave way to a surplus of something like \$30,000,000 a year. He did this by virtue of a law which under its first full year of operation has shown that it levied a lower average ad valorem upon all imports coming into the country than that of any fiscal year since 1843, when the fiscal year was established, with the exception of those four omnious and abnormal years preceding the Civil War.

The gentleman from Alabama [Mr. UNDERWOOD] brings in this bill, airily dispensing with this \$53,000,000 of revenue which the country to-day is enjoying under the Payne tariff bill. And if you add to that the breach that he has made in the Treasury wall by previous tariff bills, you will find that in the aggregate he has taken by all his bills, if they should become laws, something like a hundred million dollars from the Treasury, and he proposes to repair this breach by the passage of another bill which he has just reported to the House.

I do not propose to discuss at any length the economic features of the sugar tariff. That will be done by others of my colleagues. But there has been no proof brought to show that any of the sugar duty which is to be remitted would escape the importer, the refiner, the jobber, the retailer, and the foreign producer, and reach the ultimate consumer of sugar in the United States. The gentleman from Alabama displays a good deal of courage in view of our experience in the very recent past in removing tariff duties, when he assumes to prophesy that the total amount of the reduction which he makes by the proposed bill will reach the consumers of American sugars. Undoubtedly by opening up our markets and by removing obstacles, which exist to the importation of foreign sugar, foreign countries could not put their surplus here as easily as they do now. But by the removal of these obstacles there would be a rise in the outside world's price of sugar. And then when you take into account the enterprising gentlemen who stand be-

tween the customs house and the man who consumes, you can easily see that no great amount of this reduction of duty is likely to reach the consumer.

I wish to say a word with reference to the operation of this bill upon Cuba. We are under peculiar obligations with regard to Cuba. In 1903 we gave to the sugar of that island a preferential entrance into our market of 20 per cent from our general duty, and that has been a great boon to the island. It has stood between her and revolution. It has added to her prosperity. We are under obligations to her not to admit sugar free of duty, because she agreed if we would admit her sugar at 20 per cent from our regular rate, she in turn would admit the products of the United States at a reduction of from 20 to 40 per cent below her general tariff rates. The result of that arrangement has been that in 1903 the imports into Cuba from the United States amounted to some \$21,000,000, and in the year just closed they amounted to \$60,000,000. That is, they have increased about 300 per cent under the operation of this treaty. The two largest items in the exports of the United States and Cuba are the items of breadstuffs and meat, so that if we terminate this arrangement by taking away the preference which Cuba has in our market, we necessarily take away at the same time the preference which Cuba has given us as a consideration for that. We shall thus especially strike the American farmer. He will get it "coming and going." He will be harmed by the removal of the duty on sugar, and also by the destruction of this very important item in our trade with Cuba.

The same thing might be said, although perhaps it is not so important, in the case of Porto Rico. The remission of duty which we made to Porto Rico has contributed materially to the welfare of that island, and if her sugar is to be upon the same basis as the sugar of all the world it will to that extent be an injury to Porto Rico.

But what I particularly wish to discuss during the few minutes in which I shall engage the attention of the committee is the substitute which the gentleman from Alabama [Mr. UNDERWOOD] offers for the sugar duty. As the gentleman from New York [Mr. PAYNE] terms it, these two bills are twins. They came into the world together, and you can not consider the one without considering the other.

Mr. KITCHEN. Before you get on the other bill, in regard to the excise tax, if it would not interrupt you, I would like to ask you one question.

Mr. McCALL. Go ahead.

Mr. KITCHEN. I believe you say you are against free sugar. When you were a young Member of this House, in the Fifty-third Congress, did you not vote to free the people from the tax on sugar and relieve them from that burden?

Mr. McCALL. I can look up my record and tell the gentleman how I voted on any bill; but I do not remember how I voted on the amendments that were offered to the Wilson tariff bill. I was about to say a word with regard to the substitute that is proposed by the gentleman from Alabama [Mr. UNDERWOOD]. He says that he has a bill which he estimates, with a great deal of optimism, is going to produce some \$60,000,000 of revenue a year, or \$8,000,000 more than the amount we are now deriving from sugar. I think those who will take the pains to read the views of the minority, which were presented to the House to-day by the gentleman from Ohio [Mr. LONGWORTH], will see clearly demonstrated there that this excise bill, or income bill, or whatever it may be, will not yield above \$20,000,000 a year.

Why, gentlemen have made no investigation. They have relied entirely upon the imagination. In the minority views you will find a discussion of that question, and upon the best available authority given I doubt, even if it could be enforced in every particular, that it would yield as much as \$20,000,000 a year. But this tax which is proposed to take the place of the sugar duty is framed with reference to the decision of the Supreme Court upon the corporation tax imposed by the Payne bill. And they endeavor to phrase this law so as to apply to an individual almost in the same nomenclature as the decision applies to a corporation.

Why, the purpose is transparent. It is a bold attempt to violate the Constitution of the United States. They could much better have accomplished their purpose if they had put into this bill a declaration that "every inhabitant of the United States is hereby made a body politic and a corporation subject to all the provisions of the corporation tax of 1909."

But let us look at this tax for a moment. In the first place, to whom would it apply? It is ostensibly directed to the doing of business. To any individual or firm who has an annual income from doing business of \$5,000 this income tax would apply. What is doing business? That has been adjudicated by the Supreme Court by a decision in a case rendered on the

same day that the corporation-tax law was upheld. In the case of the Minneapolis Syndicate the Supreme Court held that a corporation existing simply to hold the title to real estate and to receive the income from it and to distribute that income among its stockholders was not doing business within the meaning of the act.

Now, if a corporation doing those things at which this law was leveled was not doing business, much less is an individual doing business who simply draws income from his rents, from bonds, from mortgages, and in the usual way in which men get income, without any effort, from inherited wealth; so that if you look at this bill closely you will find it is not a tax upon accumulated wealth at all. Andrew Carnegie would pay nothing under this bill. James J. Hill, John D. Rockefeller, and others would pay nothing under it. None of those gentlemen would pay anything under it who have made life merry in the last few months before the committee of which our great and good friend from Kentucky [Mr. STANLEY] is the chairman. Accumulated wealth is excepted from the operation of this law, and it is purely a tax upon industry.

To call a man who is cutting off coupons and receiving the payment of interest money "a man in business" is doing violence to the term. He is no more doing business than a little bird is doing business which holds out its bill and receives a worm from the bill of its mother bird. [Applause on the Republican side.]

Mr. COOPER. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Massachusetts yield to the gentleman from Wisconsin?

Mr. McCALL. With pleasure.

Mr. COOPER. As to the point of doing business, would it not be said that Mr. Carnegie has retired from business?

Mr. McCALL. Yes. Of him it would be said that he had retired from business. Now, what they are trying to do in this bill, and what I am trying to point out, is simply that they level a tax against industry, against the right to work, against the men who are following out the command, or the curse, or whatever it may be called, to earn their bread by the sweat of their brow, and they take and segregate a comparatively small class of men for purposes of taxation.

This bill is not broadly framed, as is the income tax of England, where incomes of £160 are taxed. But they segregate a relatively small number of men, one or two or three hundred thousand, and they take and carefully remove to a place of safety from that group those who are living upon inherited or accumulated wealth; and they tax the men whose shoulders are to the wheel and who are pushing forward the industries of the country and furnishing means of livelihood to millions.

There is another thing that the gentleman from Alabama [Mr. UNDERWOOD], I think, has neglected to consider in proposing this bill. He has ignored the history of his party by removing the tax upon sugar. He is also ignoring the traditional position of his party with reference to the importance of the local governments under our system. The States and the counties and municipalities bear the great burdens of government. They maintain the police, they make the roads, they protect against fire, they educate the children. They have reason to spend \$5 where this great central authority at Washington has the need to spend \$1. In the town in which I live, which has less than 10,000 people, our appropriations for the expenditures this year amount to about \$27 a head for every one of the population. The appropriations and expenditures of the National Government, omitting the postal receipts, where special service is rendered, are only about \$7 a head. That is, we spend about four times as much in maintaining our local government there, four times as much per capita, as it costs to run the Government of the United States.

Now, this central Government has the sole power to levy duties upon imports. That power has been taken away from the States. The central Government has other great sources of revenue. It can impose direct taxes, providing it follows the rule of apportionment, and yet it goes galloping through all the fields of revenue, and in so doing it attacks sources that heretofore have been especially reserved for the States. It would make it much more difficult for the States and the counties and the cities to secure in the future the money that is necessary to run them.

It can hardly be contended that so much of this tax as is a tax upon the income of real estate is constitutional. That would be directly in the teeth of a decision of the Supreme Court. When you exclude the income from real estate, when you take away the income from stocks, which are now taxed under the corporation act or corporation tax law, and which by the terms of this bill are not taxable, it is not possible for you to figure up \$10,000,000 that you are going to get out of the pending bill instead of the magnificent sum of \$60,000,000

which the gentleman from Alabama proposes, and that is such a material part of the bill that upon the decision of the court upon the Wilson income-tax provision it would probably vitiate the whole bill and make it all unconstitutional.

This bill is sure to be followed by an increase in the force of Federal inspectors, who will exercise an inquisition over the affairs of every man in the country. The corporations keep books. They are public institutions. It is a simple thing for them to make a return. It is a simple thing to inspect their books. But under this law every man in the United States is liable to have the sources of his income revealed; his books, if he keeps them—and most of us do not keep them—and all his affairs inquired into by inspectors sent out from Washington, and this would produce an inquisition. [Applause on the Republican side.]

The CHAIRMAN. The gentleman's time has expired.

Mr. McCALL. Mr. Chairman, I should like to have leave to put in the RECORD some papers received from the Department of State; a letter from Mr. Huntington Wilson and from Mr. C. M. Pepper, giving the details of our trade with Cuba and Porto Rico. I should like to have leave to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Massachusetts [Mr. McCALL] asks leave to extend his remarks in the RECORD by the insertion of certain papers named. Is there objection?

There was no objection.

Following are the documents referred to:

DEPARTMENT OF STATE,
Washington, March 6, 1912.

Hon. S. W. McCALL,
House of Representatives.

DEAR MR. McCALL: The department is transmitting under separate cover various data relating to sugar and the Cuban reciprocity treaty in the form in which it can be printed without causing confusion. As you will see the statistics show a steady growth in our percentage of Cuban trade since the reciprocity treaty went into effect. Unfortunately the Cuban official detailed statistics are very much behind in date. They are, nevertheless, the necessary basis of measuring the exact imports of the various articles and the preference which is given to them. I think it quite allowable, however, to measure the total of our trade with Cuba, which is favorably affected by the treaty and which would lose the preference under free sugar, by our own export statistics, and, accordingly, have included the table. While the figures based on the latest Cuban table would show a little less than \$40,000,000 worth of goods the actual amount at the present time is \$60,000,000. As you will see by running through the articles all sections of the country are benefited under the preference, the South in relation to cotton goods, cottonseed oil, and various other articles of local production.

Canada would benefit very materially at our expense by the Cuban preference on flour, fish, and lumber being removed; Belgium and Great Britain by the removal of the preference on sugar machinery. A good many of the articles which come under machinery are manufactured in the South. I have been told that a southern concern, located I think at Atlanta, has the best chance for sugar machinery, but have not had an opportunity to verify this fact. Boots and shoes are of special interest to the trade which centers in St. Louis, and which probably does much more business with Cuba than do your New England factories.

Sincerely, yours,

CHARLES M. PEPPER.

DEPARTMENT OF STATE,
Washington, March 6, 1912.

Hon. S. W. McCALL,
House of Representatives.

SIR: Replying to your request for information relative to the trade of Cuba with the United States and other countries since the reciprocity treaty between the United States and Cuba became effective, I have the honor to state that this treaty has been in force since December 27, 1903. The fiscal year ending June 30, 1905, is, therefore, the first full year in which its operations can be given and, consequently, this period is taken as the basis in the comparative statement showing the share of Cuba's import trade enjoyed by leading nations. From these statistics it appears that in 1905 the United States share in the total Cuban imports was 40.7 per cent and in 1910, 50.6 per cent.

The commerce of Cuba with the United States and with the world as related to articles by countries of origin and destination is indicated in the summarized table, which also shows the preponderant share of Cuban exports taken by the United States.

Relative to the preferential rates of duty accorded to the United States by Cuba under the treaty a statement is submitted showing the class of commodities admitted at a reduction of 20 per cent from general duties, 25 per cent, 30 per cent, and 40 per cent, and the value of these imports for the year ended June 30, 1909. From this it appears that the value of the American imports for the year given admitted at 20 per cent reduction was approximately \$22,357,000; at 25 per cent reduction, \$3,321,000; at 30 per cent reduction, \$11,849,000; at 40 per cent reduction, \$680,000; or a total of \$38,207,000.

The detailed official Cuban statistics since 1909 are not yet available. The growth in American imports into Cuba since 1909 may, however, be determined relatively from the statistics of domestic exports from the United States to Cuba during the fiscal year ended June 30, 1911. It appears from this statement that the total domestic exports from the United States to Cuba in that year amounted to \$59,963,000.

In accordance with your request for data concerning the exports of sugar and coffee from Porto Rico, tabular statements are submitted covering those subjects. I have the honor to be, sir,

Your obedient servant,

HUNTINGTON WILSON,
Acting Secretary of State.

(Inclosure: (A) Cuba's import trade by leading nations; (B) Commerce of Cuba with the United States and with the world; (C) United States commerce with Cuba; (D) Imports into Cuba from the United States; (E) United States exports to Cuba; (F) Exports of sugar from Porto Rico; (G) Exports of coffee from Porto Rico.)

A.

Statement showing the share of Cuba's import trade enjoyed by leading nations, fiscal years 1905 to 1910.

[Prepared by the Bureau of Trade Relations, Department of State.]

[From Boletín Oficial de la Secretaría de Hacienda (statistical section), Vol. IV, No. 2, Habana, Jan. 15, 1911. Values are Cuban pesos.]

Years ended June 30—	Imports from United States.	Per cent of all imports.	Imports from United Kingdom.	Per cent of all imports.	Imports from Germany.	Per cent of all imports.	Imports from France.	Per cent of all imports.	Imports from Spain.	Per cent of all imports.	Imports from all other countries.	Per cent of all imports.	Total imports.	Per cent.
1905.....	\$37,825,000	40.7	\$12,500,000	13.4	\$5,108,000	5.5	\$12,920,000	13.9	\$10,413,000	11.2	\$14,191,000	15.3	\$92,957,000	100
1906.....	49,384,000	46.4	14,987,000	14.1	6,593,000	6.2	6,841,000	6.4	10,927,000	10.3	17,773,000	16.6	106,505,000	100
1907.....	48,200,000	49.5	13,639,000	14.0	6,434,000	6.6	6,421,000	6.6	8,306,000	8.6	14,334,000	14.7	97,334,000	100
1908.....	46,537,000	47.2	14,551,000	14.7	7,703,000	7.8	7,072,000	7.2	9,298,000	9.4	13,558,000	13.7	98,829,000	100
1909.....	42,612,000	49.1	10,639,000	12.3	6,351,000	7.3	7,577,000	8.7	7,391,000	8.5	12,221,000	14.1	80,791,000	100
1910.....	49,381,000	48.3	12,539,000	12.1	6,851,000	6.6	10,680,000	10.3	8,857,000	8.6	14,538,000	14.1	103,446,000	100
1910 ¹	54,597,043	50.6	12,292,219	11.4	6,542,760	6.1	9,761,932	9.0	8,689,230	8.0	16,076,014	14.9	107,950,198	100

¹ Calendar year, including six months of the period covered by the figures for fiscal year 1910.

B.

Commerce of Cuba with the United States and with the world.

[Compiled by the Bureau of Trade Relations, Department of State.]

CUBAN STATISTICS, 1910.

	Trade with the world.	Trade with the United States.	Percentage with United States.
Imports.....	\$107,959,198	\$54,597,043	50.55
Exports.....	151,270,558	129,755,058	85.77
Total.....	259,229,756	184,352,101	

IMPORTS BY ARTICLES, 1910.

	From the world.	From the United States.	Other sources.
Breadstuffs.....	\$13,358,362	\$6,757,850	Germany, Great Britain (rice).
Meats.....	11,476,815	8,931,002	American countries.
Machinery.....	8,381,763	5,861,080	Great Britain, Germany.
Cotton manufactures.....	8,527,821	1,302,959	Great Britain, Spain, United States.
Iron and steel manufactures.....	6,163,754	4,221,105	Great Britain, Germany.
Vegetables.....	4,522,049	1,185,471	American countries.
Leather manufactures, etc.....	4,453,299	3,336,110	Spain.

EXPORTS BY ARTICLES, 1910.

	To the world.	To the United States.	Other destinations.
Sugar.....	\$108,762,632	\$102,445,805	Great Britain.
Leaf tobacco.....	15,450,943	12,785,047	Germany.
Tobacco manufactures.....	12,423,007	3,647,834	Great Britain, United States.
Fruits.....	2,068,089	2,092,245	
Hides and skins.....	1,894,738	522,112	Germany, France.
Molasses.....	1,477,756	950,904	Great Britain.

United States statistics.

	Value, fiscal year 1910.
Imports into United States from Cuba:	
Sugar, not over 16 Dutch Standard, dutiable.....	\$93,543,897
Leaf tobacco, dutiable.....	14,128,780
Iron ore, dutiable.....	3,997,497
Tobacco manufactures, dutiable.....	3,835,406
Fruit, free and dutiable.....	2,271,477
Molasses, dutiable.....	1,035,705
Woods, etc., free and dutiable.....	898,305
Hides and skins, free and dutiable.....	665,516
All other, free and dutiable.....	2,151,454
Total free (3.03 per cent).....	3,705,045
Total dutiable.....	118,822,992
Total imports.....	122,528,037
Exports from United States into Cuba:	
Wheat flour.....	4,638,414
Lard.....	4,094,352
Boots and shoes.....	2,958,103
Coffee.....	2,463,585
Boards, planks, etc.....	2,315,446
Lard compounds.....	2,275,912
Bituminous coal.....	2,125,794
Maize.....	1,661,144
All other.....	30,326,008
Total exports.....	52,858,758

Other exports are iron and steel, cotton manufactures, meat and dairy articles, mineral oils, etc.

United States imports from Cuba.

United States exports to Cuba.

Fiscal years—

1900.....	\$31,371,704	\$26,513,400
1901.....	43,423,088	25,964,801
1902.....	34,694,684	26,623,500
1903.....	62,942,790	21,761,638
1904.....	76,983,418	27,377,465
1905.....	86,304,259	38,380,601
1906.....	84,979,821	47,763,688
1907.....	97,441,690	49,305,274
1908.....	83,284,692	47,161,306
1909.....	96,722,193	43,913,356
1910.....	122,528,037	52,858,758
1911.....	110,309,468	60,709,062

C.

United States commerce with Cuba, year ended June 30, 1911.

[Prepared by the Bureau of Trade Relations, Department of State.]

IMPORTS FROM CUBA.

	Amount.	Per cent.
Free of duty.....	\$4,001,275	3.63
Dutiable.....	106,308,193	96.37
Total imports.....	110,309,468	100.00

Cuba ranked fourth among the sources of American imports in fiscal year 1911, supplying 7.22 per cent of all importations into the United States.

EXPORTS TO CUBA.

Domestic.....	\$59,962,955
Foreign.....	746,107
Total exports.....	60,709,062

Cuba ranked seventh among the destinations of American exports in fiscal year 1911, receiving 2.96 per cent of all exportations from the United States.

D.

Imports into Cuba from the United States—year ended June 30, 1909.

[Compiled by the Bureau of Trade Relations, Department of State.]

DUTIABLE.

Admitted at 20 per cent less than the general duties:	
Marble, worked.....	\$3,748
Building stone.....	1,822
Other stone.....	18,549
Lime.....	2,502
Cement.....	533,918
Gypsum.....	21,917
Other earthen.....	13,358
Crude petroleum.....	570,650
Petroleum for gas making.....	85,718
Other crude oils.....	68,016
Oil of jarica.....	21,608
Benzine.....	2,222
Naphtha.....	2,069
Refined petroleum.....	35,323
Other refined oils.....	236,143
Tar.....	1,262
Asphalt.....	1,881
Similar products.....	4,863
Square tiles.....	1,928
Bricks.....	213
Roof tiles.....	81,895
Hollow tiles.....	48,454
Other rough-clay products.....	10,301
Gold jewelry.....	1,398
Silver jewelry.....	13,573
Other manufactures of silver and gold.....	18,565
Firearms.....	115,076
Fine tools and implements.....	30,878
Other tools and implements.....	159,982
Nails.....	25,093
Tin plate, unmanufactured.....	142,286
Tin plate, manufactured.....	20,253
Copper in sheets.....	131,949
Copper wire.....	882
Copper-wire cloth.....	19,868
Tin.....	

Admitted at 20 per cent less than the general duties—Contd.

Nickel	\$2, 019
Zinc in sheets	1, 604
Zinc manufactures	12, 809
Lead in bars	11, 082
Lead pipe	2, 821
Other manufactures of lead	17, 874
Other unworked metals	147
Other manufactured metals	10, 726
Slag	7
Varnishes	39, 518
Oils for soap manufacture	106, 200
Other vegetable oils	28, 115
Cod oil	893
Other animal oils	612
Glycerine, olein, etc.	17, 186
Other animal fats	83, 162
Wax	635
Candles	133, 559
Other wax manufactures	8, 393
Soap grease	170, 595
Starch	7, 325
Other fecula	528
Glue	25, 121
Gelatine	1, 030
Horsehair	1, 846
Bristles	17, 640
Hairs, etc.	9, 696
Print paper	190, 710
Common wood, unworked	357, 485
Fine wood	3, 746
Other woods	100, 177
Wooden articles	165, 821
Wooden moldings and ornaments	710
Furniture of fine wood	2, 831
Furniture of common wood	388, 905
Other manufactures of wood	1, 990
Boxes	204, 900
Barrels and hogsheads	252, 099
Charcoal	33
Cork, crude	1, 336
Corks, manufactured	737
Cork, other manufactures	3, 699
Wicker and rushes	5, 128
Manufactures of wicker, etc.	17, 190
Stallions below standard height, etc.	145
Horses—	
Above standard height, etc.	40, 005
Below standard height, etc.	21, 303
Mares—	
Suitable for breeding	2, 835
Other	4, 922
Mules—	
Above standard height	43, 544
Below standard height	55, 975
Goats	25
Swine	113, 193
Other animals	2, 743
Fancy feathers	301
Other feathers	4, 251
Other animal by-products	70
Hides and skins, salted	212, 965
Hides and skins, dry	110
Fine skins	15, 058
Varnished or enameled hides	128, 857
Cut leather	1, 187
Other hides and leather	158
Harness and mountings	32, 247
Other manufactures of leather, n. e. s.	89, 308
Clocks	10, 946
Parts of clocks, etc.	15, 966
Sugar-making machinery	909, 873
Agricultural machinery (durable)	24, 265
Electric machinery	93, 703
Pumps	8, 784
Boilers	69, 342
Locomotives	231, 192
Motors	63, 328
Other machines	947, 435
Parts and accessories of the above	915, 029
Sewing machines	183, 819
Typewriters	31, 327
Bicycles, etc.	19, 856
Scales and balances	41, 285
Other apparatus	24, 951
Railway cars	1, 088
Vehicles and accessories	240, 498
Other cars, etc. (automobiles)	465, 327
Steam vessels	42, 326
Sailing vessels	70, 464
Birds and small game	23, 312
Salt beef	2, 005
Fresh beef	26, 454
Canned beef	8, 611
Jerked beef	182
Salt pork	1, 143, 253
Hams and shoulders	501, 981
Lard	4, 846, 260
Bacon	5, 405
Mutton	9, 294
Preserved meat products	306, 302
Other meats and meat products	2, 863
Fresh pork	28, 563
Condensed milk	699, 888
Oats	114, 737
Barley	225
Oatmeal	183
Other flour or meal, n. e. s.	248
Crackers (fancy)	7, 622
Other crackers	18, 912
Macaroni	36, 930
Alimentary pastes	32, 654
Other cereal manufactures	8, 082
Hay	188, 106
Other forage	88, 688

Admitted at 20 per cent less than the general duties—Contd.

Plums (fresh)	\$10, 300
Apples (fresh)	77, 754
Grapes	13, 402
Other fresh fruits	34, 552
Almonds	373
Prunes	3, 674
Dried apples	765
Raisins	1, 128
Other dried fruits	25, 635
Onions	50, 030
Peas	42, 133
Beans	237, 677
Potatoes	346, 339
Other vegetables (fresh or dried)	59, 217
Olive oil	43, 548
Cottonseed oil	62, 250
Beer in barrels	429
Beer in other containers (not bottles)	5, 613
Alcohol	158
Sugar (crude)	74
Sugar (refined)	1, 830
Saccharine	771
Cocoa	31, 806
Coffee	584, 340
Chocolate	2, 315
Other confectionery	41, 193
Pepper	3, 211
Other spices	4, 761
Honey	109
Vanilla	7, 193
Oleomargarine	30, 856
Eggs	656, 819
Fans	2, 650
Amber, etc.	2, 856
Horn	12, 441
Whalebone	107
Celluloid	11, 023
Oilskins	2, 371
Oilcloth	56, 541
Matches	391
Rubber manufactures	81, 501
Gloves	1, 231
Games, etc.	18, 851
Sticks for umbrellas, etc.	760
Hats	113, 716
Waterproof cloth	101, 680
Overshoes	720
Tobacco	86, 234
All articles not elsewhere specified	1, 343, 315

Total admitted at 20 per cent reduction 22, 356, 628

Admitted at 25 per cent less than the general duties:

Mirrors	7, 770
Bottles	38, 907
Electric lamps	47, 996
Other glass (except window)	149, 895
Porcelain	9, 368
Miscellaneous silverware, etc.	2, 505
Cast iron—	
In masses	2, 795
In bars	479, 740
Other manufactures	116, 175
Iron and steel bars and rods	198, 046
Sheets	311, 665
Cables and wire	174, 834
Iron and steel and prices	463, 937
Wire cloth	4, 270
Pipes and fittings	203, 940
Other manufactures of iron and steel	23, 880
Miscellaneous manufactures of copper	211, 890
Codfish	8, 474
Herring	14, 337
Mackerel	470
Salmon	167
Tinned salmon	2, 926
Tinned sardines	8, 032
Other preserved fish	6, 719
Oysters	3, 262
Other shellfish	9, 505
Ardent liquors	19, 219

Total admitted at 25 per cent reduction 3, 320, 724

Admitted at 30 per cent less than the general duties:

Window glass	1, 064
Gold and silver plated ware	62, 889
Table cutlery	13, 762
Surgical instruments	8, 705
Other cutlery	22, 697
Turpentine, oil of	53, 413
Caoutchouc and gutta-percha	68
Resin	29, 476
Opium	427
Roots, herbs, and seeds	12, 356
Other simple drugs	84, 496
Colors—	
Natural	2, 677
Metallic base	180, 998
Other	50, 340
Acids	82, 733
Oxides	75, 650
Salt and salts	190, 794
Alkaloids	533
Other chemicals	123, 264
Patent medicines	161, 955
Other pharmaceutical products	322, 623
Common soaps	85, 102
Miscellaneous soaps	35, 474
Cotton—	
Raw	43, 138
Thread	21, 008
Cloth, plain	954, 667

Admitted at 30 per cent less than the general duties—Contd.

Cotton—Continued.	
Cloth, twilled	\$355,862
Carpets	192
Laces	1,277
Passamenterie	16,829
Piqué	2,829
Clothing	122,253
Plush	11,348
Tulle	2,389
Other manufactures	20,134
Writing ink	5,054
Printing ink	7,704
Natural ink	1,102
Other ink	5,864
Fibers—	
Thread	1,371
Twine	7,305
Cordage	87,428
Bags, for sugar	21,428
Linen cloths	16,434
Linen, etc., knit	33
Linen carpets	560
Linen passamenterie	2,203
Linen clothing	3,839
Linen plush	74
Linen, table	2,240
Linen, other manufactures	7,619
Paper—	
Wrapping, etc	117,371
Wall	242
Other, except in sheets	106,186
Blank books	16,978
Paper with letterheads	50,572
Books	38,885
Photos, stamps, maps, etc	18,179
Pasteboard—	
Sheets	37,870
Boxes	15,114
Other	87,859
Pulp and carton pierre—	
Unmanufactured	531
Manufactured	1,158
Boots and shoes—	
For men	1,046,321
For women	1,207,590
For children	376,577
Boots, riding	26
Sandals	3,040
Other shoes, etc	23
Pianos	26,463
Organs, etc	830
Other musical instruments	3,805
Butter	60,140
Maize	1,386,388
Corn meal	41,796
Wheat flour	3,661,093
Preserved vegetables	16,560
Pickled and salted vegetables	60,234
White wines—	
Barreled	462
Other, except bottled	647
Red wines—	
Barreled	761
Bottled	52
Other	1,201
Beer, bottled	137,183
Cider—	
Barreled	249
Bottled	399
In other coverings	62
Champagne	3,787
Total admitted at 30 per cent reduction	11,849,314

Admitted at 40 per cent less than the general duties:

Porcelain wares	13,732
Fine soaps	24,373
Perfumery and essences	49,036
Cotton knit goods	125,085
Wool, raw	4,091
Woolen cloth	20,160
Woolen carpets	599
Woolen clothing	71,895
Other manufactures of wool	18,717
Silk, raw	5,191
Silk, spooled	3,193
Silk cloth	41,698
Knitted silk	24
Silk clothing	36,628
Other manufactures of silk	32,337
Venezuelan cattle	140
Thin cattle	17,078
Cattle not suitable for reproduction	8,350
Cattle, miscellaneous	15,475
Watches	3,336
Cheese	41,098
Rice	23,030
Tinned fruits	87,780
Other preserved fruits	8,300
Umbrellas and parasols	1,697
Glucose	17,678
Total admitted at 40 per cent reduction	679,721

RECAPITULATION.

Admitted at 20 per cent reduction	22,356,628
Admitted at 25 per cent reduction	3,320,724
Admitted at 30 per cent reduction	11,849,314
Admitted at 40 per cent reduction	679,721
Total dutiable imports from the United States	38,206,387

FREE OF DUTY.

Natural fertilizer	\$26,546
Beehives	2,779
Other bee apparatus	545
Farm implements, plows, etc	60,649
Scythes and hoes	8,940
Other farm implements	81,230
Trees, plants, etc	20,787
Anthracite coal	54,593
Bituminous coal	2,076,706
Coke	59,844
Henequen fiber, etc	70,243
Flax, etc	216
Books, maps, etc., for schools	2,736
Other books	12,183
Pulp and print paper	148,916
Pine wood, not planed	1,236,745
Furniture, used	37,445
Copper coin	140
Fresh fish	6,341
Quinine	153
Mineral waters	10,638
Cheesecloth	78,510
Barbed wire	242,014
Bulls for breeding	220
Cattle, special	40
Other articles free of duty	158,816

Total free imports from the United States	4,397,975
Total dutiable imports from the United States	38,206,387

Total imports from the United States 42,604,362

(Compiled from Estadística General, Comercio Exterior de Cuba, Año Fiscal de 1908 á 1909, Secretaría de Hacienda.)

NOTE.—Imports of coffee into Cuba from Porto Rico are not included

above.

E.

United States exports to Cuba (domestic products only), year ended June 30, 1911.

[Statistics drawn from advance sheets of Commerce and Navigation, 1911. Prepared by the Bureau of Trade Relations, Department of State.]

Article.	Quantity.	Unit.	Value.
Mowers, reapers, and parts			\$5,015
Plows, cultivators, and parts			198,245
Other agricultural implements			141,679
Aluminum and manufactures			13,559
Cattle	328	Head	12,330
Swine	8,023	do	65,213
Horses	308	do	44,235
Mules	1,366	do	209,330
Sheep	91	do	644
All other animals			12,511
Art works			3,102
Asbestos manufactures			45,116
Asphalt, crude	4	Tons	154
Asphalt, manufactures of			51
Babbitt metal	96,384	Pounds	17,718
Bones, hofs, horns, etc			27,346
Brass and manufactures			1,255
Bread and biscuit	389,631	Pounds	164,213
Maize	2,225,073	Bushels	33,494
Corn meal	8,399	Barrels	1,322,095
Oats	246,419	Bushels	24,709
Oatmeal	61,427	Bushels	100,088
Rice	2,277,617	do	2,716
Rye	25	Bushels	52,687
Rye flour	15	Barrels	70
Wheat	11,915	Bushels	13,213
Wheat flour	846,685	Barrels	4,268,658
Miscellaneous breadstuff preparations			97,638
Bran, middlings, etc	3,909	Tons	103,065
Dried grain and malt sprouts	70	do	1,906
Other cereal animal feed			21,465
Broom corn			53,650
Brooms and brushes			27,774
Buttons			12,064
Candles	1,759,532	Pounds	135,415
Automobiles	157	Cars	208,960
Parts of automobiles			31,323
Railway cars:			
For steam railways			791,555
For other railways			549,189
Bicycles, and parts			30,355
Wheelbarrows, trucks, etc			20,332
All other carriages and parts			119,435
Celluloid and manufactures			7,279
Cement	428,704	Barrels	611,195
Chalks, crayons, etc			2,731
Charcoal			603
Sulphuric acid	881,945	Pounds	9,144
Other acids			57,969
Wood alcohol	299	Gallons	161
Baking powder	26,357	Pounds	7,148
Calcium carbide	15,308,472	do	392,076
Copper sulphate	44,085	do	1,888
Dyes and dyestuffs			897
Lime, acetate	7,970	Pounds	197
Patent medicines			476,466
Roots, herbs, etc			1,937
Sulphur or brimstone, crude	263	Tons	5,729
Washing powder and fluid	256,203	Pounds	11,935
Other chemicals, drugs, etc			662,393
Chewing gum			4,529
Cider	62	Gallons	29
Fire clay			10,741
Clocks and parts of			46,758

United States exports to Cuba, etc.—Continued.

Article.	Quantity.	Unit.	Value.
Watches and parts of.			\$2,846
Anthracite coal.	38,112	Tons.	160,971
Bituminous coal.	945,394	do.	2,546,841
Coke.	5,025	do.	21,741
Coal tar.	61	Barrels.	277
Cocoa, prepared, and chocolate.			29,735
Coffee:			
Green or raw.	20,243,247	Pounds.	2,978,369
Roasted or prepared.	195,954	do.	38,269
Copper pigs, ingots, etc.	57,358	do.	8,205
Other copper manufactures.			108,537
Cork, manufactures of.			12,155
Raw upland and other cotton.	21,273	Pounds.	1,254
Cotton cloths:			
Unbleached.	3,434,009	Yards.	323,728
Bleached.	2,997,051	do.	187,687
Dyed, etc.	12,720,486	do.	834,668
Cotton knit goods.			376,100
Other cotton clothing.			46,987
Waste cotton.	625,187	Pounds.	5,153
Cotton yarn.			306,305
All other cotton manufactures.			21,578
Dental goods.			46,457
Fire bricks.			19,948
Other brick and tile.			127,150
Earthen and stone ware.			2,948
China ware.			948,443
Eggs.	4,499,211	Dozen.	7,308
Emery and other abrasives.			244,758
Cartridges.			86,181
Dynamite.	805,450	Pounds.	10,634
Gunpowder.	64,000	do.	63,638
Other explosives.			4,072
Feathers.			78,726
Felt, etc., for roofing.			882,952
Fertilizers, other than phosphate.	21,418	Tons.	30,017
Fiber bags.			70,649
Fiber cordage.	817,287	Pounds.	155
Binder twine.	2,421	do.	12,745
Other twine.			35,957
Other manufactures of fibers.			4,857
Cod, haddock, etc., not fresh.	76,064	Pounds.	2,362
Herring, other than fresh.	47,174	do.	6,344
Other fish, other than fresh.	134,015	do.	2,223
Pickled fish.	281	Barrels.	7,817
Salmon:			778
Canned.	78,814	Pounds.	4,221
Fresh or cured.			5,991
Canned fish, other than salmon and shellfish.			26,726
Oysters.			29,033
Shellfish, other.			9,265
All other fish and fish products.			788
Flavoring extracts and fruit juices.			592
Fly paper.			21,928
Dried apples.	5,600	Pounds.	93,337
Fresh apples.		Barrels.	455
Apricots, dried.	3,540	Pounds.	2,335
Oranges.	650	Boxes.	1,257
Dried peaches.	16,013	Pounds.	35,772
Pears, fresh.			17,409
Prunes.	188,844	Pounds.	3,800
Raisins.	57,953	do.	73,307
Other fruits, fresh or dried.			91,241
Fruits:			6,472
Canned.			2,520
Preserved, other than canned.			1,615
Peanuts.	47,398		50,267
Other nuts.			36,930
Metal furniture.			5,137
Furs and skins.			1,887
Cylinder, crown, and window glass.			191,743
Plate glass.	4,644	Square feet.	14,675
Other glass.			146
Glucose.	656,826	Pounds.	10,773
Grape sugar.	5,859	do.	4,562
Glue.	94,432	do.	732
Gold and silver manufactures.			4,453
Graphite, crude.	10,519	Pounds.	495,343
Graphite, manufactured.			16,242
Grease and soap stock, etc.			10,772
Hair and manufactures.			190
Hay.	564	Tons.	226
Hides and skins, not fur skins.	1,580	Pounds.	61,860
Hops.	1,346	do.	153,374
Household goods and effects.			5,493
Rubber belting, hose and packing.			27,072
Rubber boots and shoes.	5,015	Pair.	112,783
Rubber tires for automobiles.			131,596
Other rubber tires.			31,840
Other rubber manufactures.			12,456
Printer's ink.			656,548
Other ink.			51,414
Electrical appliances, telephones, etc.			18,767
Other instruments and apparatus.			7,415,885
Pig iron.	1,175	Tons.	4,000
Bar iron.	7,415,885	Pounds.	87
Wire rods, iron, etc.	4,000	do.	99,941
All other bars or rods, iron, etc.	5,267,368	do.	904,028
Steel rails for railways.	30,991	Tons.	450,974
Sheets and plates:			131,394
Iron.	16,968,697	Pounds.	6,375,728
Steel.		do.	1,654,370
Tin andterne plate.		do.	64,336
Structural iron and steel.	15,657	Tons.	814,697
Barbed wire.	17,285,613	Pounds.	396,659
Other wire.	6,824,373	do.	206,268
Locks, hinges, etc.			222,722
Saws.			35,391

United States exports to Cuba, etc.—Continued.

Article.	Quantity.	Unit.	Value.
Tools, n. e. s.			\$308,668
Car wheels.	2,841	Wheels.	21,957
Castings, n. e. s.			53,132
Cutlery.			52,304
Firearms.			81,299
Adding machines.			6,991
Brewer's machinery.			8,398
Cash registers.	1,069	Number.	62,767
Electrical machinery.			184,810
Laundry machinery.			6,004
Metal-working machinery.			66,470
Mining machinery.			37,292
Printing presses, etc.			31,857
Pumps and pumping machinery.			335,426
Refrigerating machinery.			38,395
Sewing machines and parts.			364,030
Shoe machinery.			6,333
Locomotive engines.	23	Number.	153,967
Stationary engines.	316	do.	144,671
Traction engines.	4	do.	10,212
All other engines and parts.			655,798
Sugar-mill machinery.			1,262,647
Typewriters and parts.			108,799
Windmills and parts.			22,877
Woodworking machinery.			56,971
All other machinery.			1,139,794
Cut nails and spikes.	5,213,958	Pounds.	102,559
Wire nails and spikes.	3,847,842	do.	85,923
Other nails and tacks.	3,479,303	do.	94,480
Pipes and fittings.	51,181,326	Pounds.	1,105,121
Radiators, etc.	600	do.	15
Scales.	970	Number.	79,899
Scales and balances.			100,238
Stoves, ranges, etc.			12,773
All other manufactures of iron and steel.			1,667,598
Ivory and manufactures.			63
Jewelry.			18,724
Lamps, etc.			93,788
Lead, manufactures of.			45,669
Sole leather.	83,572	Pounds.	20,681
Belting, leather.			101,203
Calf upper leather.	238,070	Square feet.	45,446
Glazed kid.	240,647	do.	53,647
All other upper leather.			170,010
Carriage and automobile leather.			1,962
Patent leather.			59,997
All other leather.			99,357
Boots and shoes.	3,031,896	Pairs.	3,390,693
Harness and saddles.			146,996
All other manufactures of leather.			69,175
Lime.	2,457	Barrels.	4,158
Unmanufactured stone.			944
Other stone.			30,602
Matches.			1,054
Canned beef.	282,744	Pounds.	33,627
Fresh beef.	42,058	do.	4,904
Beef, pickled, salted, etc.	232,980	do.	24,402
Oleo oil.	181,978	do.	18,185
Oleomargarine.	253,874	do.	27,896
Tallow.	969,377	do.	56,182
Bacon.	6,223,775	do.	748,361
Hams and shoulders, cured.	3,876,362	do.	568,763
Canned pork.	15,619	do.	2,291
Fresh pork.	88,987	do.	12,575
Pickled pork.	7,382,763	do.	824,403
Lard.	34,968,597	do.	3,992,092
Neutral lard.	83,243	do.	9,243
Lard compounds, etc.	25,175,162	do.	2,388,812
Mutton.	39,454	do.	5,078
Poultry and game.			9,279
Sausage and sausage meats.	2,105,230	Pounds.	261,474
Sausage casings.	10,291	do.	1,981
All other meats, etc., canned.			17,603
All other meat products.			15,513
Butter.	328,734	Pounds.	78,604
Cheese.	167,509	do.	31,081
Condensed milk.	4,257,387	do.	323,433
Metal polish.			10,290
Mica, crude.	291	Pounds.	339
Mica, manufactured.			3
Mineral specimens.			330
Motor boats.	17	Number.	12,463
Mucilage.			4,030
Organs.	20	Number.	1,117
Pianos.	275	do.	42,343
Piano players.	21	do.	6,750
All other musical instruments.			4,500
Natural-history specimens.			80
Rosin.	23,810	Barrels.	159,250
Tar, turpentine, and pitch.	3,221	do.	18,204
Spirits of turpentine.	60,984	Gallons.	46,109
Manufactures of nickel.			8,526
Nursery stock.			20,872
Oakum.	42,784	Pounds.	1,963
Corn oil cake, and meal of.	8,000	do.	120
Cottonseed oil cake, etc.	275,270	do.	3,583
Oilcloth for floors.			49,946
Other oilcloth.			10,754
Fish oil, except whale.	392	Gallons.	219
Lard oil.	808	do.	706
Other animal oil.	5,735	do.	3,992
Crude mineral oil.	5,228,400	do.	333,621
Naphthas.	298,128	do.	53,439
Illuminating oil.	1,669,832	do.	119,938
Lubricating and similar oil.	1,301,981	do.	374,069
Residuum.	1,000,264	do.	23,904
Corn oil.	8,799	Pounds.	590
Cottonseed oil.	2,819,122	do.	214,271

United States exports to Cuba, etc.—Continued.

Article.	Quantity.	Unit.	Value.
Linseed oil.....	12,389	Gallons.....	\$12,406
Other fixed or expressed vegetable oils.....			15,612
Volatile or essential oils.....			12,328
Lampblack, carbon black, etc.....			3,560
Varnish.....	51,878	Gallons.....	41,986
Zinc, oxide of.....	1,340	Pounds.....	73
All other paints, pigments, and varnishes.....			323,744
Books, maps, etc.....			209,301
Paper hangings.....			1,470
Playing cards.....			11,553
News-print paper.....	4,958,333	Pounds.....	120,378
All other printing paper.....	5,293,074	do.....	236,033
Writing paper and envelopes.....			117,319
All other paper, and manufactures of.....			377,957
Paraffin and paraffin wax.....	275,413	Pounds.....	13,958
Paste.....			7,587
Pencils, lead and slate.....			49,554
Pens and penholders.....			11,434
Perfumeries, cosmetics, etc.....			31,624
Photographs, etc.....			66,138
Photographic goods.....			96,740
Plaster, builder's and common.....			13,649
Plated ware.....			29,993
Plates, stereotype and electrotpe.....			1,943
Platinum, manufactures of.....			251
Salt.....	39,116,676	Pounds.....	155,073
Sand.....			1,991
Seeds, cotton.....	200	Pounds.....	3
Flaxseed or linseed.....	273	Bushels.....	678
Other grass seeds.....			1,070
Seeds, all other.....			7,153
Shells.....			58
Silk, manufactures of.....			130,944
Soap, toilet or fancy.....			62,091
Soap, all other.....	1,793,811	Pounds.....	104,180
Spermaceti and spermaceti wax.....	562	do.....	146
Spices.....			3,320
Malt liquors, in bottles.....	50,755	Dozen qts.....	71,872
Malt liquors, in other coverings.....	890	Gallons.....	392
Spirits, distilled:			
Alcohol, etc.....	140	Proof gallons.....	97
Whisky, rye.....	3,411	do.....	6,860
All other.....			826
Wines.....	24,049	Gallons.....	10,678
Sponges.....	317	Pounds.....	339
Starch.....	237,286	do.....	6,241
Straw.....	26	Tons.....	378
Straw, etc., manufactures of.....			50,716

United States exports to Cuba, etc.—Continued.

Article.	Quantity.	Unit.	Value.
Molasses.....	268	Gallons.....	\$64
Sirup.....	1,837	do.....	871
Refined sugar.....	119,000	Pounds.....	5,364
Confectionery.....			62,336
Theatrical effects.....			980
Manufactures of tin.....			150,797
Cigars.....	2	Thousand.....	63
Cigarettes.....	113	do.....	775
Plug tobacco.....	248,908	Pounds.....	46,084
Smoking tobacco.....	34,572	do.....	12,244
All other tobacco.....			1,889
Toys.....			40,415
Trunks, valises, etc.....			8,997
Type.....	56,037	Pounds.....	19,649
Beans and dried peas.....	109,764	Bushels.....	305,589
Onions.....	27,367	do.....	20,171
Potatoes, other than sweet.....	1,594,395	do.....	928,755
Canned vegetables.....			52,804
All other vegetables, pickles, etc.....			42,595
Vinegar.....	9,183	Gallons.....	1,063
Beeswax.....	113	Pounds.....	43
Manufactures of wax.....			1,554
Logs and round timber.....			30,104
Hewn timber.....	227,071	Cubic feet.....	45,037
Sawn timber.....	849	1,000 feet.....	17,057
Boards, planks, and deals.....	130,006	do.....	2,198,197
Joists and scantling.....	1,765	do.....	22,736
Shingles.....	1,491	Thousand.....	5,828
Shooks, box.....			248,134
Shooks, other.....	177,244	Number.....	83,000
Staves.....	7,424	do.....	642
Heading.....			6,136
All other lumber.....			74,802
Doors, sash, and blinds.....			4,963
Furniture.....			757,653
Trimmings, moldings, etc.....			6,512
Woodenware.....			4,687
Wood pulp.....	50,031	Pounds.....	1,096
All other manufactures of wood.....			282,501
Woolen wearing apparel.....			19,565
All other manufactures of wool.....			13,340
Yeast.....			9,808
Zinc—pigs, bars, etc.....	31,581	Pounds.....	3,172
All other manufactures of zinc.....			9,825
All other articles exported.....			41,437
Total domestic exports to Cuba.....			59,962,955

F.

Exports of brown sugar from Porto Rico, years ended June 30, 1907-1910.

[Compiled by the Bureau of Trade Relations, Department of State, from Commerce and Navigation, 1907, 1908, 1909, and 1910.]

Exported to—	1907		1908		1909		1910	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
Spain.....	Pounds. 7,486	\$321	Pounds. 5,638	\$269	Pounds. 7,527	\$330	Pounds. 2,756	\$154
France.....	218	7					213	11
Germany.....			2,267	90			2,298	92
Dutch West Indies.....			580	20				
Italy.....					2,180	116		
Danish West Indies.....					50,000	1,250		
Total foreign countries.....	7,704	328	8,485	379	59,707	1,696	5,267	257
United States.....	408,149,992	14,770,354	469,205,082	18,690,149	488,452,733	18,430,750	509,039,881	23,545,665

NOTE.—Exports of refined sugar from Porto Rico have been negligible; in 1910 there were none.

G.

Exports of coffee from Porto Rico, 12 months ending June 30, 1908, 1909, and 1910.

Countries.	1908		1909		1910	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
Cuba.....	Pounds. 13,022,500	\$1,464,958	Pounds. 11,291,964	\$1,423,562	Pounds. 20,635,182	\$2,455,639
Austria-Hungary.....	4,835,903	626,578	3,325,524	445,783	6,326,126	833,604
France.....	5,362,129	664,440	4,076,592	531,333	4,327,936	552,511
Germany.....	2,051,615	290,238	547,688	72,788	1,780,383	231,630
Italy.....	2,397,509	319,467	2,976,898	401,602	2,834,781	377,517
Spain.....	6,406,532	827,966	5,644,703	757,454	8,070,935	1,050,070
Other countries.....	990,979	124,805	499,456	65,981	1,071,099	146,755
Total foreign.....	35,127,167	4,288,452	28,362,825	3,698,503	45,046,442	5,647,726
United States.....	129,322	16,157	126,684	17,241	163,350	21,876
Grand total.....	35,256,489	4,304,609	28,489,509	3,715,744	45,209,792	5,669,602

Imports of coffee into Cuba, 12 months ending June 30, 1908, 1909, and 1910.

Countries.	1908		1909		1910	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
Porto Rico.....	Pounds. 14,400,790	\$1,613,735	Pounds. 12,543,117	\$1,577,388	Pounds. 18,448,367	\$2,184,316
United States.....	2,571,526	232,558	6,641,936	584,340	1,585,643	160,148
Brazil.....	2,835,013	238,842	2,737,654	307,827	3,309,296	298,017
Venezuela.....	2,680,581	217,438	1,674,018	166,509	1,665,965	133,684
Other countries.....	112,739	9,728	152,656	12,601	188,173	13,114
Total.....	22,600,649	2,312,301	24,749,381	2,648,665	25,197,444	2,789,279

Mr. PAYNE. Mr. Chairman, I reserve the balance of my time.

Mr. FORDNEY. Mr. Chairman and gentlemen, about 30 days ago, in the city of Paris, the people of France celebrated the one hundredth anniversary of the establishment of the beet-sugar industry of that country. Only a few days ago the people of England celebrated the establishment of the first beet-sugar factory built in England. To-day the House of Representatives of the United States is celebrating the first serious attempt to destroy that magnificent industry in the United States. [Applause on the Republican side.]

The Republican Party for the past 52 years have controlled the legislation of the Federal Government of the United States, and the only two years that our Democratic friends have had absolute control of Federal legislation in this country were the only two poor, lean years that we have experienced in that time.

Mr. Chairman, I want to call the attention of Members of this House to the splendid compliment paid by the majority members of the Ways and Means Committee in their report to this magnificent beet-sugar industry.

On the first page of their report they say:

The growth of the beet-sugar industry in this country during the decade ended with 1909 is shown in Table 1 to have increased 117 per cent in number of establishments, 399 per cent in the quantity of beets used in the manufacture of sugar, and the value of the products has increased almost sevenfold.

What greater compliment could be paid to this great beet-sugar industry in this country, even by its friends?

On page 5 of the same report they say:

In the report of the same investigating committee (p. 22) we find that the cost of manufacturing beet sugar is lowest in Germany, and, according to the best-known sugar experts, the cost of producing a pound of raw sugar there ranged from 1.96 to 2.07 cents. Adding a refining cost of four-tenths of a cent per pound, the cost of producing refined beet sugar in Germany would average 2.415 cents per pound. The average cost of producing beet sugar as computed from the returns of the 11 plants in which the American Sugar Refining Co. is interested is shown not to exceed 3.54 cents per pound. This difference between the German and American costs more than offsets the freight charges from Germany to the United States. In this connection the following price figures for the countries named lend considerable interest.

Mr. Chairman, after showing the cost of production of refined beet sugar in Germany to be \$2.41½ per hundred pounds, and adding the freight from Germany to New York, 12 cents per hundred pounds, which sum totals \$2.53½ per 100 pounds, and deducting this sum from \$3.54, which is the cost of production of beet sugar in this country, we have a difference of a fraction over 1 cent per pound. Yet in another paragraph in their report they say that this bill, if enacted into law, will not, in the slightest, injure the beet-sugar industry of the United States.

Mr. Chairman, they quote from Mr. Willett of the firm of Willett & Gray, of New York, the greatest sugar statisticians in this country and perhaps the greatest in the world.

Mr. Willett was called before the Sugar Investigating Committee by the gentleman from Georgia [Mr. HARDWICK], the chairman of the committee. Mr. Willett is an estimable gentleman and perhaps the greatest sugar statistician in the world. I have great admiration for the gentleman. If in the majority report the next two lines of Mr. Willett's statement had not been omitted they would, in a sense, contradict the two lines quoted.

Later on I shall call attention to a question or two put to Mr. Willett by myself when that gentleman was before our committee. I asked him whether he had not hastily made the statement that the duty is added to the cost to the consumers of sugar in this country. I called his attention to a report made by the Tariff Board, wherein the board shows where they had purchased in England 16 samples of goods and paid for those goods \$41.84, and that the duty as provided for in existing law on those 16 samples was \$76.80. Adding the duty to the foreign cost, those goods laid down in our markets would cost \$118.64. I called Mr. Willett's attention to the fact that the Tariff Board reports that similar articles produced in this country are selling, not for \$118.64, but for \$69.75, a sum far below the foreign cost with the duty added. Assuming that statement to be correct, can you say that the duty is added to the cost of the article when consumed in this country? He asked to be given time to consider that question. I gladly consented, and the gentleman took a week to file his answer. When he came back, let me show you what he said. On page 3977 he answered that question, as follows:

The consumer in 1910 paid \$1.151 per 100 pounds of the \$1.348 duty on Cuban sugar. By Table No. 6B, page 3551, similar comparisons can be made for each year, showing that the consumer has not paid full duty in any year of reciprocity, while in the years preceding reciprocity the consumer naturally paid the full duty.

The effect of giving reciprocity to Cuba appears to have been to change the old statement that "the consumer pays the full duty" on sugar except in such cases as the consumer insists upon a certain

specified sugar that he can not get without paying the full duty assessed upon it and which, as a matter of fact, is imported to a very small extent.

As exists in the woolen fabric trade, may not—at the time when the production of domestic and insular and Cuban sugars exceed the requirements for consumption—a fierce competition between these interests reduce the price of sugar to the consumer far below the full tariff protection if it remains unchanged?

In all these analyses I reach the same conclusion—that to decrease the price of sugar to the consumer, increase the domestic production as rapidly as possible.

[Applause on the Republican side.]

Mr. Claus Spreckels is the president of the Federal Sugar Refining Co. of New York, of which Mr. Frank C. Lowery is the sales agent. He has been sending broadcast, through barrels and packages of sugar, the yellow journal which I hold in my hand, asking consumers of sugar to appeal to their Congressmen to save the poor suffering consumer from the ravages of the trusts. He asks us to remove the duty from foreign imported sugar and save the suffering people, the consumers. Mr. HINDS, a member of the sugar investigating committee, asked Mr. Spreckels the following questions:

Mr. HINDS. In other words, perhaps, you would take it [the tariff] all off, would you not, and have free trade?

Mr. SPRECKELS. I would have free trade. (Part 27, p. 2277 of hearings.)

Mr. HINDS. You would have free trade in sugar?

Mr. SPRECKELS. Absolutely. (Part 27, p. 2278 of hearings.)

I am quoting the testimony given by nearly every man who appeared before that investigating committee interested in the refining of foreign imported sugar to show you whether or not they are in favor of this free-sugar bill introduced here by our Democratic friends, and I propose to prove it. This testimony was all taken under oath.

Now comes Mr. Gilmore, a representative of the Arbuckle Bros. Sugar Refining Co., which is reported by that committee to be an ally of the great American Sugar Refining Co.:

Mr. MADISON. In other words, you think the thing to do is to take off the duty, and that it would be to your advantage to take it off as a refiner of cane sugar?

Mr. GILMORE. Yes, sir.

Mr. MADISON. And you would advocate the taking off of the duty?

Mr. GILMORE. I would personally. I am only speaking now personally. (Part 14, p. 1169, of hearings.)

Then Mr. Jamison, also a partner of Arbuckle Bros., testified as follows:

Mr. RAKER. How would it affect you if there was no tax on the importation of sugar—raw sugar?

Mr. JAMISON. I think it would enable us to run more constantly.

Mr. RAKER. What do you mean by that, now?

Mr. JAMISON. To keep up the capacity.

Mr. RAKER. Will you explain it?

Mr. JAMISON. I mean we would be able to sell more sugar.

Mr. RAKER. Do you not have a supply all the time?

Mr. JAMISON. Well, we are not able to run full at all times.

Mr. RAKER. Because of the way raw sugar is shipped into the United States?

Mr. JAMISON. Oh, no; on account of the beet product.

[Applause on the Republican side.]

That is one of the firms that this bill evidently is in the interest of. At this point our good chairman, an estimable, pleasant gentleman, very courteous, the gentleman from Georgia [Mr. HARDWICK], became interested and he said:

Is it really on account of the competition, Mr. Atkins?

I will say that Mr. Atkins is the present vice president of the American Sugar Refining Co., and its real manager. He owns a sugar plantation in Cuba from which he produced 30,000 tons of raw sugar last year, which he sent to this country and which was refined by the firm of which he is the vice president and manager.

Mr. ATKINS. I think so. There is very much larger capacity than is required, and the beet sugars are taking away the trade of the refiners year by year.

Mr. MADISON. So you can hardly ascribe it to the fierce competition by the beet-sugar people?

Mr. ATKINS. Certainly. All that beet sugar gets on the market at a certain season of the year. It is all produced in about three months' time.

Now, gentlemen, listen to what follows:

They all want to market it just as rapidly as possible, and in order to do that, they come to the eastern points. California sugar goes into Chicago, and Michigan sugar into Buffalo and Pittsburgh, and eastern refineries, not only the American Sugar Refining Co. but the others, have to reduce their output or close down until the beet sugars are out of the way.

[Applause on the Republican side.]

This is the vice president of the American Sugar Refining Co. testifying, which company you propose to relieve of their portion of this \$52,800,000 of revenue now collected by the Federal Government.

I want to say here that more than one of the great sugar trusts of the Atlantic coast in the last two years have been prosecuted by the Federal Government, and through confession or by decisions of the courts have disgorged millions of dollars of which they robbed the Federal Government in underweighing and in misrepresenting the values of sugar. Those

are the people, those are the only people this bill will aid, if enacted into law. [Applause on the Republican side.] Mr. Atkins continues:

Any refining that is done between the 1st of October and the 1st of January is done without any profit, and very often at a loss.

That is when they are competing with domestic sugars.

Mr. MADISON. You stated a moment ago, Mr. Atkins, or this morning, that you decidedly opposed going into the beet-sugar business. What was the reason of that?

Listen to Mr. Atkins's reply. I will show you, if I have the time, that the American Sugar Refining Co. owns stock in several of the beet-sugar factories of this country, some in Michigan, some in Colorado, some in Utah and Idaho, and some in California, but in this connection the fact was developed that in no case are they dominating the management or the production or controlling the territory in which beets are raised or where sugar is disposed of. Here is Mr. Atkins's complaint and his reason for wanting to sell their stock and get out of the beet-sugar business:

The beet-sugar business was a competitive business. It is produced in the western territories where our markets lay. That is, I say our markets—

He caught himself there—

I mean the markets of the refiners—the various refiners. As that industry grew—and I foresaw that it would grow rapidly—I believed that it would reduce the volume of business, not only of the American Sugar Refining Co., but of all the refiners on the Atlantic coast. And, although we had millions of dollars invested in the business there, we were building up a competitive business, one that would compete with ourselves and one which was bound to get away from us. We could not control it in the end. [Applause on Republican side.]

Therefore they wanted to sell their stock in the company. An industry that they could not control they wanted to dispose of.

Mr. Chairman, Dr. Wiley, a gentleman well known to us all, the expert from the Agricultural Department, was called upon to give testimony before that committee, and I want to read just a portion of his testimony. At great length the committee questioned him upon the necessity of having remain in the law this sixteen Dutch standard color test, and so on. He brought before the committee a polariscope, which he produced to demonstrate to us what was being done in the matter of testing sugar values by the polariscope. On the question being asked him about the importance of this great industry, Dr. Wiley said:

But the point I am making is this: That under the present system we are absolutely dependent upon the refiners of this country for our sugar. They have taught us to use white sugar, and we will not take any other kind, and, therefore, they can fix any price thereon they please. I will say, on the question of price, that I think they are reasonable about it, and do not try to squeeze us so very much, but at the same time whenever the Louisiana sugar comes in the price of sugar drops, and whenever the crop of beet sugar comes in the price of sugar drops. Again, as soon as the Louisiana and beet-sugar men sell all they have to sell, the price of sugar goes up again.

[Applause on Republican side.]

And yet, my friends, after the majority members of the Committee on Ways and Means have shown conclusively that the cost of production of beet sugar in this country, as compared with Europe, is more than 1 cent per pound, and after reviewing such testimony as has been given by experts which was at their disposal, they say that the industry is not going to be injured. I asked the gentleman from Alabama [Mr. UNDERWOOD] a while ago a question, if their contention—the Democrats—were true, why it was that the price of sugar last summer during the months of July, August, September, and October had advanced away beyond all reasonable price? He answered that it was undoubtedly due to the Payne tariff law, for which I stood, I wish now to call the gentleman's attention to the fact that the Payne law has not changed in any respect since 1909, and prior to July the price of sugar in this country was fixed by the competitive industry, the domestic industry, and during those four months, when there was no domestic sugar upon the market, the American Sugar Refining Co. advanced their prices to \$6.75 per hundred pounds on refined sugar, free on board, New York, and the Federal Sugar Refining Co., of which Mr. Spreckels is the president, and this yellow-journal man the sales agent, Lowry, advanced their price to \$7.25 per hundred pounds for refined sugar, while the Arbuckle Bros. advanced their price to \$7.50 per hundred pounds. My friends, these refiners stated that their prices were based upon the quotations of European raws on the markets of New York.

Who made those prices on European raws in the city of New York? Why, the refiners. I will show you what the facts are in respect to that. I went to the Bureau of Statistics and secured from that office a list of all sugars imported into this country for the fiscal year ended June 30, 1911, and for the months of July, August, September, and October, 1911. They gave me the importations in quantities and values, taken from the invoices on those imports of sugar coming into every port of entry in the United States from every country in the world at a time when those high prices prevailed, which I have stated

were as high as \$7.50 per 100 pounds. It was shown that in the month of September the highest price prevailed for raw sugar f. o. b. New York, the price being \$2.74 per 100 pounds. The highest price of imported sugar during the whole year, I say, was in September, and instead of being as quoted by the refiners of New York, \$6.40, European quotations, they were purchasing their raw sugar for an average of \$2.74 per 100 pounds. Add to this the Cuban duty, because the largest portion of that sugar came from Cuba, and the major portion of the balance of it came from our insular possessions—add to \$2.74 \$1.348, which is the duty on Cuban sugar, and to that add 40 cents per 100 pounds for refining and 60 cents per 100 pounds for profit, and that sugar could have been sold to the consumers of this country for 5 cents a pound, and yet some of the refiners were asking the American people \$7.50 per 100 pounds wholesale. What happened in October?

In October our beet-sugar crop in the State of Michigan came onto the market and was sold at \$5.55 per 100 pounds, and in less than 30 days those hydra-headed monsters over there in New York were obliged to lower their price and quote refined foreign-made sugars at \$5.75, or 20 points above the price of beet sugar. I will say that from 20 to 40 points difference is maintained by them at all times between the price obtained for domestic sugar and the price obtained for refined sugar made from imported sugars.

Mr. GARRETT. Mr. Chairman, will the gentleman yield?

Mr. FORDNEY. Certainly.

Mr. GARRETT. Is it not fair to state that those sales of beet sugar had been made from 20 to 40 days in advance?

Mr. FORDNEY. It is fair to say that all sugars are sold on 30 days' delivery, and it was stated by this man Lowry—and I want to call your attention to some of his testimony and leave it to you as to whether or not he appeared to be a fair-minded man and an honest witness—that the beet-sugar people had sold ahead and had been caught in a trap and had not received the full benefit of the advance in the price of sugar. This statement is contradicted by the beet-sugar men, and I have here, if I have the time to show you, the figures where the Michigan Sugar Co. had sold up to the 20th day of November. I went to their office in the city of Detroit and examined their sales book and their invoices—they turned them over to me for examination—and another gentleman and myself took from their records their total sales made up to that date, the 18th of November, 1911.

And out of about 850 cars sold by them 809 cars had been sold at \$5.55 per hundred pounds, and the balance at a slight advance. They deny Lowry's statement that they had sold ahead. They deny that they were caught in a trap on prices. I have in my possession a letter from the general manager of that company and two citizens of my home town, whom I know, Mr. George B. Morley, a banker, and Mr. Benton Hanchett, one of our high-class lawyers of the State, who state that the directors of the Michigan Sugar Co., on the 11th day of September, met in the company's office at Detroit and discussed the question as to the price at which they should sell their sugar; and it was agreed there and then by 16 out of 17 directors that the price of \$5.55 per hundred pounds should be their selling price, which price would give them a reasonable profit, and they should pay no attention at all to the wildcat prices asked by the refiners in New York.

Mr. J. M. C. SMITH. While you are upon the question of the high price of sugar during the fall of 1911, will you please give us your opinion of, or the reason for, the increase of the price of sugar last fall?

Mr. FORDNEY. I will be pleased to say this, gentlemen, that the increased price asked by the refiners of this country was based upon the statements made by them that the world's production of sugar was short about one million and a half tons, and on that report, I say, they based their prices. They were quoting European raws as offered on the New York market, but none came in from Europe. Search the records, to which I have referred, the importation from all the countries of the world, and you will not find a pound of sugar during these 16 months coming from Europe, except confectionery and high-priced sugar. What transpired? There was no change in the condition of the world's crop of sugar between July and November, except, my friends—and bear this in mind—the domestic crop of the United States had come onto the market.

Mr. WARBURTON. May I interrupt the gentleman?

Mr. FORDNEY. Yes, sir.

Mr. WARBURTON. At the same time that the domestic beet sugar comes on the market, is it not true that there comes on the market from Europe the full beet-sugar crop there, which amounts to about 8,000,000,000 pounds?

Mr. FORDNEY. I will ask a question in answer to the gentleman's question. Are you for or against this Democratic free-trade bill?

Mr. WARBURTON. I am for this bill. I introduced it myself.

Mr. FORDNEY. I have known you for about a year, my friend, and I will answer your question before I get through. Your home is in Tacoma, Wash., in which city no more loyal Republicans ever lived than are to be found there, and during the year I have known you I have never heard a word from your lips supporting a Republican policy or a Republican measure. [Applause.]

Mr. WARBURTON. May I suggest, in answer to the gentleman—

Mr. FORDNEY. You can do it in your own time.

Mr. WARBURTON. I have not any time, but I would like to answer the gentleman's one question there.

Mr. FORDNEY. I decline to yield. I will say to the gentleman that the crops from the sections from which our supply comes, from Porto Rico, Hawaii, the Philippine Islands, Cuba, Louisiana, and the domestic beet-sugar crop, come onto the market practically all at the same time.

And in answer to the gentleman's question, let me say that in 1897, a little over a decade ago, we imported from Europe and from other foreign countries full duty-paying sugar to the amount of 74.1 per cent of our consumption.

In the year of 1910 we imported full duty-paying sugar to the extent of but 2.1 per cent.

Mr. WARBURTON. Mr. Chairman—

Mr. FORDNEY. I decline to yield to the gentleman. In 1897, when the Dingley law was adopted, it gave adequate protection to this domestic-sugar industry. We then produced from beets only 2 per cent of our total consumption in the United States. Four years later, in 1901 or 1902, or a little over a decade ago, we produced 7 per cent of the consumption of sugar in this country from beets, and this year, gentlemen, based on this year's consumption, we are producing from beets in this country 15 per cent of the consumption of sugar in the United States. In the last decade the total consumption of sugar in the United States has increased 30 per cent.

Mr. WARBURTON rose.

The CHAIRMAN. Does the gentleman from Michigan yield to the gentleman from Washington?

Mr. FORDNEY. I will.

Mr. WARBURTON. I do not think the gentleman has answered my question, but I want to ask another. He just stated that our per cent of production equals 15 per cent of our consumption. I have it from the Bureau of Statistics that this year our production will be 1,026,000,000 pounds, and our consumption almost equal to it.

Mr. FORDNEY. Get that out of your system in your own time, if you please.

Mr. WARBURTON. Is that correct?

Mr. FORDNEY. The gentleman quotes in pounds. I have never studied sugar statistics in anything but tons.

Mr. KITCHIN. In the Statistical Abstract, issued by the Department of Commerce and Labor, it is stated in pounds.

Mr. RUCKER of Colorado. Will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. RUCKER of Colorado. Will the gentleman explain how it is there is such a discrepancy between the gentleman's statement and that of the gentleman from Alabama [Mr. UNDERWOOD], our leader, concerning the amount of production of beet sugar in this country in 1911? I understand you claim there is twice as much as he claimed.

Mr. FORDNEY. I will give you the production in 1911. The production of beet sugar in the United States in 1911 was 455,000 long tons. The crop this year is estimated at 540,000 long tons, and the crop of Louisiana sugar 325,000 long tons. We will import from Cuba this year about one-half of the sugar consumed in the United States, as we did last year, and the balance of our consumption from our insular possessions. Since we have had Porto Rico, the Philippines, and Hawaii under the control of the United States and given them free trade on their sugar their crop has increased as follows: In Porto Rico from 38,000 tons to 300,000 tons this year; from the Philippines last year we imported 168,000 tons, if I have it correctly; and in the neighborhood of 500,000 tons from the Hawaiian Islands.

I have it here, and I can show it very quickly, the importations of sugar. Here I have the quantity of sugar produced in the United States from 1891 and 1892 down to 1912. In long tons it is as follows: Beginning with 6,000 tons, the next year it is 13,500; the next year, 22,500; the next year, 22,500; then, 33,000 tons, 42,000 tons, 45,000 tons; the next year we drop back to 36,000 tons; next year, 82,000 tons; 86,000 tons; 192,000 tons; 219,000 tons; 232,000; 235,000 tons; 316,000 tons; 433,000 tons; 463,000 tons; 504,000 tons; and now, 540,000 tons. That

is the production of beet sugar in the United States since 1891 and 1892.

Gentlemen, while we are producing from beets this year in the United States 15 per cent of our total consumption of sugar, that sugar is on the market only about four or five months of the year. Therefore, my friends, it constitutes about 36 per cent of our consumption in the United States during those four or five months. And as the territory in which beet sugar is sold is limited to a territory not east of Buffalo or Pittsburgh, but little south of the Ohio River, or southwest beyond St. Louis, Mo., during the time the beet sugar is on the market in that territory it supplies or furnishes the people of the United States 70 per cent of their consumption during those months. And do you think for an instant, my friends, that the American Sugar Refining Co., and the Arbuckle Bros., and the Federal Sugar Refining Co., and the Warner Sugar Refining Co., which constitute nearly all the refineries on the Atlantic coast, and the small producers on the Pacific coast can fix different prices in the territories to which beet sugar does not go? No, my friends. Beet sugar supplies 70 per cent of the consumption during those four or five months in the territory in which it is marketed, and it fixes the price of sugar for all the consumers in the United States during that period of time?

Mr. SAMUEL W. SMITH. May I ask a question?

Mr. FORDNEY. Yes.

Mr. SAMUEL W. SMITH. In your opinion, what effect would this bill have on the sugar industry of the country?

Mr. FORDNEY. If this bill becomes a law, there is one of two things must happen, gentlemen. If the domestic industry is permitted to exist, then the Sugar Trust of this country, which refines the balance of our sugar, must hold the price up where it is to-day and receive themselves the benefit of this reduction of duty, and if they put the price down where they can still make a reasonable profit after the duty is removed, the domestic industry must cease at once and go out of existence.

There is invested in the beet-sugar industry of the United States about \$100,000,000, and a like amount is invested in the cane-sugar industry in the South.

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Michigan yield to the gentleman from Ohio?

Mr. FORDNEY. Yes, sir.

Mr. LONGWORTH. I do not know whether the gentleman has stated this or not, but I would like to know how the price of sugar in this country to the consumer compares with the price in other countries, if the gentleman can state?

Mr. FORDNEY. I have a table here, prepared by Secretary Knox, which is very interesting. It is a public document. I am sorry that I have not the average rates figured out. But offhand I would state to the gentleman from Ohio that, taking all Europe, which is the chief beet-sugar country outside the United States, a dollar in money will buy more sugar in United States markets than in any other country, with the single exception of England, except at stated times, when our price is abnormally high, as was the case last summer, when the price in Germany and Sweden was lower. But only at a time when our sugar prices are abnormally high can the purchaser of sugar get as many pounds for a dollar in any country under the sun as he can in the United States, with the exception of England; and England has a duty of 40 cents on 100 pounds.

Mr. HAUGEN. Mr. Chairman, will the gentleman yield?

Mr. FORDNEY. Let me go a little further. Taking the report of a gentleman who came here, representing the London Board of Trade, to study labor conditions in the United States as compared with those in England, he reports that where an Englishman earns \$1 an American laborer engaged at the same class of labor earns \$2.40, and where the Englishman spends \$1 for his living the American, at the same standard of living in this country, spends \$1.38 and has a profit of \$1.02 remaining.

But taking the price of refined sugar as quoted in New York on the 15th day of February last and as quoted on the same day in England and comparing those two prices, the Englishman can purchase 21 pounds of sugar for \$1 while the American can purchase for his \$2.40 43 pounds of sugar, or, in other words, he can purchase more than twice as much sugar with his day's earnings in the United States as an Englishman can who buys sugar at a less rate per pound than our consumers pay for sugar here.

Now I will yield to the gentleman.

Mr. HAUGEN. The gentleman stated a moment ago that there was \$100,000,000 invested in the beet-sugar industry in this country. Can the gentleman give the amount that is held by the so-called Sugar Trust?

Mr. FORDNEY. I can come pretty near it. I will not attempt to be absolutely correct. In the State of Michigan we have the Michigan Sugar Co., which company owns 6 out of the 17 factories in that State. The testimony taken before the sugar investigating committee shows that the American Sugar Refining Co., acting in accordance with the policy advocated by Mr. Atkins, its vice president, is disposing of its beet-sugar interests, and, at the time we made our report, that company owned in Michigan factories 34.9 per cent of the total stock of that company. In Colorado, if I am correct, they owned something like 50 per cent of the stock of the Great Western Sugar Co. I think the gentleman from Georgia [Mr. HAWKINS] can give those figures more accurately than I. In California the holdings of the American Sugar Refining Co. bear another and smaller ratio to the total amount of stock. They have sold their interest in the Carver County Sugar Co. in Minnesota, and they have sold all their interest in the company that was formed out of the purchase of the Oxnard factory in California—as I remember it, the California Sugar Co. All those interests have been disposed of. In fact, they seem to be disposing of all the interests in all the beet-sugar factories in which they have been interested, as I have said, under the policy advocated by Mr. Atkins. In the factories in Utah alone they had, I think, about 50 per cent of the stock.

Mr. HAUGEN. Is it a fact that they are disposing of their interests and have disposed of their stock and they are not interested in the sugar-beet industry to the extent that they were?

Mr. FORDNEY. That is a fact. In addition to that, gentlemen, I have here a list of the cities in which all of these beet-sugar companies have disposed of their entire product, showing that each year they have reached out and captured more and more territory which has heretofore been absolutely controlled by the refining companies. In some instances, in small amounts, Michigan has sold sugar in the States of New York, Pennsylvania, and Maryland, and as far south as Tennessee, taking away from the trust, as Mr. Atkins said, their territory for the disposition of refined sugar.

Mr. RUCKER of Colorado. Will the gentleman yield?

The CHAIRMAN. Does the gentleman from Michigan yield to the gentleman from Colorado?

Mr. FORDNEY. I yield with pleasure.

Mr. RUCKER of Colorado. I want to say to the gentleman that my best information is that the Sugar Trust commenced to buy the stock of the beet-sugar factories because they thought that was the easiest way to get control of them and close them up, but that they stopped buying and began to sell their interests in those factories as soon as they thought they would get such legislation as this in Congress—closing up the beet-sugar factories. [Applause on the Republican side.]

Mr. FORDNEY. Let me say to the gentleman that he is correct. When Cuban reciprocity was advocated in this House in 1901 and in 1902 and 1903, and before Cuban reciprocity became a law in December, 1903, I have the record of 86 projects—86 firms, in this country—which had organized and paid in more or less capital to build beet-sugar factories, and 80 of them immediately suspended, sir, and only 6 were built. Why? Because the American Sugar Refining Co. and other refining companies sent lobbyists here who brought great pressure to bear on Representatives in Congress urging the adoption of the Cuban treaty, claiming its adoption would be of great benefit to our people, the consumers; and they at that time purchased some interest in our beet-sugar factories and discouraged further opposition (from those companies in which they purchased stock) to Cuban reciprocity, which the Sugar Trust was advocating.

That is the result, my friends—a destruction of 80 factories all at one blow, all at one fell swoop, by reducing the duty on imported sugar from Cuba 20 per cent below the Dingley rate.

Mr. KITCHIN. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Michigan yield to the gentleman from North Carolina?

Mr. FORDNEY. I do.

Mr. KITCHIN. The gentleman was in Congress then?

Mr. FORDNEY. Yes, I was; and all the Democratic Members in the House except the Louisiana Members voted for that proposition. With you, it is true, there were some Republican Members who voted for the law, but that number did not include myself.

Mr. KITCHIN. Your Republican President signed it, and the bill would not have become a law if you gentlemen in control of the House had not passed it. [Applause on the Democratic side.]

Mr. FORDNEY. I think some of my Republican friends are subject to criticism for voting for that bill. But they could not possibly have enacted that bill into law if you Democrats on

that side had not helped them and voted almost solidly with them to do it.

Mr. RUCKER of Colorado. As to the point of suspending the beet-sugar factories in this country, I am advised now by the Democratic press, and of course that has reliable information always [laughter], that in Colorado to-day there is a suspension in the building of 10 sugar factories in the southern part of the State, brought about by this threatened legislation.

Mr. FORDNEY. Yes, my friend; and I have to-day a list of factories in which construction was recently begun east of the Mississippi River that have suspended operations pending the consideration and the outcome of this proposed law.

Mr. JAMES. Are they afraid of the Republican Senate and the Republican President on free sugar? [Laughter.]

Mr. FORDNEY. You are starting the ball rolling. You are breeding the free-trade theory. Let me say here that a producer of sugar from Louisiana came before the sugar investigating committee, and while testifying he spoke of the ravages of the boll weevil in that country which had caused the people of Louisiana to abandon the production of cotton and to turn their attention to the production of sugar. I asked him, "My friend, you are a Democrat?"

Yes.

You are a protectionist on sugar?

Yes.

Which of the two evils do you consider the greater in Louisiana, the boll weevil or the free trader?

He said:

My friend, the free trader, a thousand times over.

[Laughter on the Republican side.]

Mr. JAMES. Does the gentleman mean to class the Republican Senate and President in the boll-weevil class? [Laughter.]

Mr. FORDNEY. My friend, I have great hope that when in the Congress of the United States we are compelled to fall back to our second trench—the Senate of the United States—we will flay the life out of you free traders. [Applause on the Republican side.] If not, I have confidence in our good President who was elected on the Republican platform of 1908, which declares for protection sufficient to offset the difference in cost here and abroad, and, in addition thereto, a reasonable profit. I have confidence in him that he has the stamina, the courage, and the intelligence to place his stamp of disapproval upon that bill if it comes up to him. [Applause on the Republican side.]

Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has seven minutes.

Mr. RUCKER of Colorado. Four years ago President Taft lost the State of Colorado because we thought he was an advocate of free sugar.

Mr. FORDNEY. Yes; and I have in my scrapbook a copy of the President's speech made at Denver, where he pledged himself to protect that industry if elected, and you can bank on it that he will stand by that pledge.

Now, gentlemen, Mr. UNDERWOOD has said the raising of sugar is a hothouse industry. Let me call your attention to this fact: Last year in the production of beet sugar we had less than one-half million acres of land in the United States planted to sugar beets. The Secretary of Agriculture, after careful investigation, shows that we have in this country soil well adapted to the production of beet sugar, in area 274,000,000 acres of land. For the last five years Germany's crop of beets has covered 1,107,000 acres, a territory equal only to about 48 of our townships, on which she produced over 2,000,000 long tons of sugar, or about two-thirds of the quantity we consume annually. Instead of this being a hothouse industry, if you will only give this domestic industry adequate protection to offset the difference in cost in this country and abroad, so as to maintain our high standard of wages, and give it that measure of protection required against foreign countries which have the cheapest labor on earth, we will in a short time produce all the sugar in this country that all the people consume.

The Secretary of Agriculture goes further and says that if but one crop of beets were planted on these 274,000,000 acres of soil well adapted to the production of beets and a crop was raised such as we raised per acre last year we could produce from that one single crop more sugar than has been consumed by all the people of the whole world since the birth of Christ. Then talk about it being a hothouse industry and our territory limited! Such folderol is about the maximum of wisdom displayed by the friends of this bill. [Applause on the Republican side.]

Again, the gentleman has said that our beet-sugar industry has the protection of a freight handicap which protects it sufficiently against free sugar. I have here a list, which I have not the time to read, showing that the highest rate of protection that the freight rate gives to any beet-sugar industry in the United States is that afforded to the Michigan and Ohio fac-

stories, which receive an advantage of 5.82 cents per hundred pounds, or less than 6 cents per hundred pounds advantage out of the freight rate. Going farther on to the west, there is a handicap of as much as 30 to 35 cents a hundred pounds instead of an advantage.

But let me quote just for a minute my beloved free-trade friend, Mr. Lowry. Mr. Lowry testified here before our sugar committee at much length. I can state the substance of his testimony without reading it. Mr. Lowry poses as the secretary and treasurer of a groceryman's association—a committee of wholesale grocers representing a large number of wholesale grocers in this country. Under oath, Mr. Lowry admitted that this association never had a meeting, even of two or more members; that the association had never paid a single penny of dues, initiation fees, or anything else in the shape of money. Mr. Lowry admits that he elected himself secretary and treasurer of that fictitious committee or association, and when asked where he got the money to send out this yellow journal he admitted that Mr. Spreckels, the president of the Federal Sugar Refining Co., contributed it all, \$12,000. [Applause on the Republican side.] Now, gentlemen, enact your bill into law. Let me be just a little sarcastic, my brother KITCHIN. The gentleman is a member of the Ways and Means Committee.

Mr. KITCHIN. Go ahead.

Mr. FORDNEY. Enact this bill into law and Mr. Lowry and Mr. Spreckels will no longer find it necessary to spend \$12,000 a year in sending out yellow journals. In my opinion it looks very much like a contribution to the Democratic campaign fund. [Laughter on the Republican side.]

Mr. KITCHIN. When did these people stop contributing to the Republican campaign fund? It must have been since 1910, for I see by the sworn reports that they contributed to the Republican campaign fund then.

Mr. FORDNEY. If my friends, the Republican Party, will call on me for contributions to advance Republican principles, I will go the limit at all times to help them out.

Mr. Lowry testified before the committee that the rate of duty on German, French, Belgian, and Austro-Hungarian sugar was 47 and 48 cents. He testified under oath that the duty on German sugar was 47 cents per hundred pounds and on refined sugar 52 cents per hundred pounds. The fact is that the duty on raw sugar imported into Germany, instead of being 47 cents is \$1.99, and on refined sugar, instead of being 52 cents, as Lowry testifies, it is \$2.03 per hundred pounds. On French sugar the duty, instead of being 48 cents, as the gentleman states it, is \$2.67 per hundred pounds, and on refined sugar, \$2.90. The duty on sugar imported into Austria-Hungary, instead of being 47 cents per hundred pounds, is \$3.99 per hundred pounds, and on refined sugar, \$4.03.

In closing, Mr. Chairman, let me say the maintenance or the destruction or even the retarding of the growth of our domestic sugar industry, both beet and cane, in the United States is a question of greater importance to the American people, in my judgment, than some of us will admit. If adequate protection and a settled policy in this direction is given to this industry, it will go forward with leaps and bounds, and in the next decade, under such protection, beet-sugar factories would be built all over the territory in which beets can be successfully raised, and within that decade from one-half to three-fourths of the sugar consumed by the people of the United States will be produced in this country. Give our industry such protection as all other beet-sugar-producing countries give to theirs and we can in a very short time say to the whole world, so far as our sugar is concerned, "We can get along within our own borders." But put this free-trade measure into law, and before half a decade has expired every pound of sugar consumed by the people of the United States will come through the melting kettles of the Sugar Trust.

I repeat, Mr. Chairman, that this measure might well be entitled "An act to surrender revenue, destroy competition, and create monopoly."

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. MANN. I ask unanimous consent that the gentleman have 10 minutes more.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that the gentleman from Michigan be given 10 minutes' more time. Is there objection?

Mr. JAMES. Mr. Chairman, in the absence of the gentleman from Alabama [Mr. UNDERWOOD], the chairman of the committee, I shall have to object. He said he would object to the extension of any gentleman's time beyond an hour. That was all the time he consumed. While he is not on the floor I feel constrained to object.

The CHAIRMAN. Objection is made.

Mr. FORDNEY. I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. PAYNE. Mr. Chairman, by arrangement with the gentleman from Georgia [Mr. HARDWICK], I yield five minutes to the gentleman from New York [Mr. MALBY].

Mr. MALBY. Mr. Chairman, in May last I was appointed a member of the special committee on the investigation of the American Sugar Refining Co. and others, under a resolution giving that committee a broad scope of inquiry. The committee sat in practically continuous session from June 12, 1911, to August 11, 1911, and from December 5, 1911, with an adjournment at the holidays, until January 16, 1912. During that time there appeared before us representatives of practically every branch of the sugar industry in America. The heads of most of the great refineries, both on the Atlantic and Pacific coasts, were witnesses, as well as the officers of beet-sugar manufacturing in various States, farmers who grow beets, and the producers of cane sugar in Louisiana. In addition to these, the committee employed the most expert sugar statistician in the United States, Mr. Wallace P. Willett, both to give expert testimony and statistics and to digest and arrange information from foreign countries. The result of this could not fail to give the members of that committee a comprehensive view of the present status of the sugar industry of the United States. The question of the tariff, although not strictly within the jurisdiction of the committee, was extensively gone into by the various witnesses, as it seemed inseparable from any practical consideration of the questions at issue.

GROWTH OF DOMESTIC SUGAR INDUSTRY.

The testimony before that committee disclosed that under the policy of protection continuously in force since the beginning of this Government—the period of the McKinley bill not excepted—the production of domestic beet and cane sugar has become a great industry. Others have given detailed statistics of this marvelous growth. It will suffice for me to say that at present 16 States are engaged in the cultivation and manufacture of beet sugar, and 2 States, together with Hawaii, Porto Rico, and the Philippines, in the production of cane sugar. On the continent of the United States there are 257 separate establishments in the industry, valued, according to the census estimate, at over \$80,000,000. The production of beet sugar has risen from 3,000 tons in 1890 and 78,000 tons in 1900 to 530,000 tons during the past year. The sugar now produced in continental United States, Hawaii, and our insular possessions supplies over half our total consumption, while that admitted under Cuban reciprocity brought the total in 1910 up to 97 per cent, and this year will in all probability supply our total needs.

Considering our beet-sugar industry alone, the following table, prepared for the committee by Willett & Gray, gives an idea of its recent expansion:

Beet-sugar industry progress in United States during the past 24 years.
[The production stated for the present season (1911-12) is necessarily estimated, as some factories have not yet completed their run.]

	Sugar produced (tons of 2,240 pounds).	Factories operated.
1911-12.....	540,000	63
1910-11.....	455,220	64
1909-10.....	450,495	65
1908-9.....	384,010	63
1907-8.....	440,200	63
1906-7.....	433,010	63
1905-6.....	283,717	53
1904-5.....	209,722	51
1903-4.....	208,135	53
1902-3.....	195,463	44
1901-2.....	163,126	39
1900-1901.....	76,859	34
1899-1900.....	72,944	31
1898-99.....	32,471	15
1897-98.....	40,399	9
1896-97.....	37,536	7
1895-96.....	29,220	6
1894-95.....	20,092	5
1893-94.....	19,550	6
1892-93.....	12,018	6
1891-92.....	5,356	6
1890-91.....	3,459	3
1889-90.....	2,203	2
1888-89.....	1,861	2

The corresponding effect of the stimulation of the cane-sugar industry by tariff concessions is shown in the following table:

EXHIBIT "PALMER No. 4."

United States tariff and tariff concessions as affecting sugar production.
[Compiled by Truman G. Palmer.]

Year.	Hawaii cane sugar.	United States beet sugar.	Louisiana cane sugar.	Porto Rico cane sugar.	Cuba cane sugar.	Philippines cane sugar.
	Long tons.	Long tons.	Long tons.	Metric tons.	Long tons.	Long tons.
1877.....	11,417	100	85,122	57,742	520,000	122,786
1878.....	17,156	100	65,671	77,271	533,000	117,932
1879.....	21,884	200	106,910	69,489	670,000	134,805
1880.....	28,396	1,200	76,654	52,492	530,000	180,723
1881.....	41,870	500	121,867	56,778	493,000	211,417
1882.....	50,972	500	71,373	80,066	595,000	152,230
1883.....	50,940	500	135,297	77,635	460,397	215,236
1884.....	63,685	535	128,443	96,868	558,937	122,675
1885.....	76,495	948	94,376	88,960	631,000	202,791
1886.....	96,828	600	127,958	77,635	731,723	185,799
1887.....	94,883	800	80,859	96,868	646,578	179,149
1888.....	105,307	2,055	157,971	60,087	656,719	185,308
1889.....	108,170	1,861	144,877	63,403	560,333	218,926
1890.....	115,979	2,203	130,413	58,167	632,368	147,526
1891.....	122,760	3,459	215,844	51,210	816,980	166,410
1892.....	119,034	5,356	160,937	41,866	976,960	246,941
1893.....	147,688	12,018	217,525	.....	815,894	261,518
1894.....	136,917	19,950	265,836	48,423	1,054,214	194,320
1895.....	131,000	20,062	317,351	59,958	1,004,264	230,922
1896.....	198,022	29,220	237,720	55,783	225,221	229,944
1897.....	232,213	37,536	282,009	.....	212,051	202,092
1897-98..	204,833	40,399	310,447	54,000	314,009	178,000
1898-99..	232,506	32,471	245,511	53,825	345,261	76,000
1899-1900	258,521	72,944	132,000	35,000	308,543	62,785
1900-1901	321,461	76,859	270,000	80,000	635,856	55,400
1901-2..	317,509	163,126	310,000	85,000	850,181	78,637
1902-3..	391,062	195,463	300,000	85,000	998,878	90,000
1903-4..	328,103	208,135	215,000	130,000	1,040,228	84,000
1904-5..	380,576	209,722	335,000	145,000	1,163,258	106,875
1905-6..	383,225	283,717	330,000	213,000	1,178,749	145,525
1906-7..	392,871	433,010	230,000	210,000	1,427,673	145,500
1907-8..	465,288	440,200	340,000	200,000	961,958	135,374
1908-9..	477,817	384,010	355,000	245,000	1,513,582	150,000
1909-10..	462,613	450,595	335,000	308,000	1,804,349	120,000
1910-11..	485,000	445,000	311,000	320,000	1,900,000	150,000

¹ Sept. 9, 1876, Hawaiian reciprocity, admitting Hawaiian sugar to the United States free of duty, subject to termination after seven years by one year's notice.

² July 24, 1897, Dingley tariff bill passed, affording protection to home sugar industry.

³ 1897-1910, long tons. 1898 Hawaii annexed. Free-trade relations permanently assured.

⁴ May 1, 1900, Porto Rican sugar admitted to United States at 85 per cent reduction of duty.

⁵ July 26, 1901, Porto Rican sugar admitted to United States free of duty.

⁶ July 1, 1902, Philippine sugar admitted to United States at 25 per cent reduction of duty.

⁷ Dec. 27, 1903, Cuban sugar admitted to United States at 20 per cent reduction of duty.

⁸ Aug. 5, 1909, Philippine sugar to extent of 300,000 tons annually admitted to United States free of duty.

Statistics 1877-1897, except United States beet and Louisiana cane from Summary of Commerce and Finance, July, 1902, Hawaii, p. 2665; Porto Rico, p. 2737; Cuba, p. 2651; Philippines, pp. 2753-2754; statistics for Louisiana cane sugar and United States beet sugar 1877-1897 from 1908 Statistical Abstract, p. 199; Statistics for 1897-1909 from Willett & Gray's Statistical Sugar Trade Journal; 1910-11 estimated by W. & G. Louisiana cane and United States beet-sugar figures are "production"; all others are "exports."

FURTHER EXPANSION OF DOMESTIC INDUSTRY.

Further than this, the testimony shows that this industry is capable of indefinite expansion. While Hawaii and Porto Rico have about reached their natural limit of production, the production of cane in the Philippines is capable of expansion to practically any limit to which we will admit its product free into the United States. It is, however, in the production of beet sugar on the mainland that we may look for the greatest expansion if the present policy of protection is continued. In a recent report the Secretary of Agriculture says:

During the past five years our average production of beets per acre has been 10 tons, and the average extraction of sugar by the factories 12 per cent. The average production of sugar per acre has, therefore, been 2,400 pounds, or 1½ short tons. During the fiscal year 1907-8 we imported from strictly foreign sources (not including the island possessions of the United States) 1,666,795 short tons of sugar.

To have produced this sugar at the average rate of 1½ tons per acre in 1907 would have required 1,389,000 acres of sugar beets. In other words, if our beet acreage for 1907 had been increased by 1,389,000 acres, yielding at the average rate for the past five years, and we had possessed factories to work up the beets, we would have produced enough sugar to supply the entire home demand.

Dividing, now, the 274,000,000 acres lying within and adjacent to the sugar-beet belt, having soil and climatic conditions adapted to the production of satisfactory beets, by 1,389,000 acres we find the quotient to be 197. If, therefore, beets had been grown only 1 acre out of every 197 acres of adapted area, the beets produced would have yielded enough sugar to replace all the foreign sugar we used. Speaking in round numbers, we would at the present time have to grow beets on only one two-hundredth part of our demonstrated sugar-beet areas (in addition to the area already in use) to make this country self-sustaining in the matter of sugar. If we suppose but one-fourth of the sugar-beet area to be actually devoted to crops, the growing beets on but 1 acre out of every 50 tilled acres would enable us to stop using foreign sugar. (Report of Secretary of Agriculture, Senate Document 22; Hearings, special committee, p. 2705.)

WHO WANTS FREE SUGAR.

Among all of the different interests represented at the hearings before the special committee, it might well be expected that there would be a great difference of opinion on many subjects. On two vital questions, however, there was a practical unanimity of opinion, both among those who opposed and those who would benefit by a reduction or the removal of the tariff. The first was that removal of the tariff would be greatly to the advantage of the interest controlling the great refineries, and the second was that the removal of the tariff would result in the utter destruction of the domestic sugar industries of the United States, both cane and beet.

Both of these propositions would seem to be easily demonstrable, but since there has been an effort to becloud the issue upon this point I shall quote some, though by no means all, of the evidence upon these points from the witnesses representing the various interests, the references, of course, being to the hearings before the special committee.

REFINERS WANT FREE SUGAR.

CLAUS A. SPRECKELS, PRESIDENT FEDERAL SUGAR REFINING CO.

Mr. HINDS. In other words, perhaps, you would take it (the tariff) all off, would you not, and have free trade?

Mr. SPRECKELS. I would have free trade. (Pt. 27, p. 2277 of Hearings.)

Mr. HINDS. You would have free trade in sugar?

Mr. SPRECKELS. Absolutely. (Pt. 27, p. 2278 of Hearings.)

CHARLES R. HEIKE, SECRETARY AMERICAN SUGAR REFINING CO. FROM 1887 TO 1910.

Mr. FORDNEY. Now, if the duty were removed absolutely on sugar, could we produce either cane or beets in this country?

Mr. HEIKE. I doubt it very much.

Mr. FORDNEY. Then that would destroy the industry absolutely in this country?

Mr. HEIKE. Yes.

Mr. FORDNEY. And you would approve of that?

Mr. HEIKE. Yes. (Pt. 4, p. 292 of Hearings.)

WILLIAM G. GILMORE, PARTNER, ARBUCKLE BROS., SUGAR REFINERS.

Mr. MADISON. In other words, you think the thing to do is to take off the duty, and that it would be to your advantage to take it off as a refiner of cane sugar?

Mr. GILMORE. Yes, sir.

Mr. MADISON. And you would advocate the taking off of the duty?

Mr. GILMORE. I would, personally. I am only speaking now personally. (Pt. 14, p. 1169 of Hearings.)

JAMES H. POST, PRESIDENT NATIONAL SUGAR REFINING CO.

Mr. POST. If Congress did not need the revenue from sugar. That is a different proposition. But they have to have it from something, and sugar seems to be the thing that has paid a part of it for a great many years. As far as I personally am concerned, I would like to see free sugar. As we look at the country at large, however, I think it would be a very unfair proposition. (Pt. 6, p. 527 of Hearings.)

WILLIAM A. J. JAMISON, PARTNER, ARBUCKLE BROS.

Mr. RAKER. How would it affect you if there was no tax on the importation of sugar—raw sugar?

Mr. JAMISON. I think it would enable us to run more constantly.

Mr. RAKER. What do you mean by that, now?

Mr. JAMISON. To keep up the capacity.

Mr. RAKER. Will you explain it?

Mr. JAMISON. I mean we would be able to sell more sugar.

Mr. RAKER. Do you not have a supply all the time?

Mr. JAMISON. Well, we are not able to run full at all times.

Mr. RAKER. Because of the way raw sugar is shipped into the United States?

Mr. JAMISON. Oh, no; on account of the beet product. If there was no duty, I do not think the beet would be so prosperous, and we would probably sell more sugar; if the duty was removed, I mean to say.

Mr. RAKER. What would you think would be a fair compensation [reduction]?

Mr. JAMISON. I think there should be a cent a pound taken off at the present time at least, and later—

Mr. RAKER. A little more?

Mr. JAMISON. Yes; until it is entirely removed. (Pt. 14, p. 1195-1196 of Hearings.)

EDWIN F. ATKINS, VICE PRESIDENT AND ACTING PRESIDENT AMERICAN SUGAR REFINING CO.

Mr. HINDS. So that a reduction of the tariff, passing beyond a moderate amount, would tend to the prosperity of the refiners and to the detriment of the beet-sugar people?

Mr. ATKINS. Take the independent refiners, outside of our concern at all, that represent more than half the supply of the United States. They say—and I think they say truly—that it is for the refiners' interest to have a low rate of duty rather than a high rate of duty and reduce the basis of value upon which they can sell. The lower the price of the refined sugar the greater is the consumption. I think their position is well taken. (Pt. 2, p. 174 of Hearings.)

EFFECT OF FREE SUGAR ON THE DOMESTIC INDUSTRY.

Edwin F. Atkins, vice president and acting president American Sugar Refining Co.:

(Hearings, p. 144.)

Mr. ATKINS. I think the taking off of all the tariff would so cripple the beet-sugar industry in this country and so cripple the Louisiana industry that the effect would be to put up the basis of value of the imported raw sugars. A moderate reduction in the tariff, which would not cripple those industries, would reduce the cost of refined sugar to the consumer. There is a great deal between a reduction in your tariff rates and an abolition of your duties.

(Hearings, p. 145.)

Mr. HINDS. You think that the taking the tariff off would cripple the beet-sugar industry?

Mr. ATKINS. Undoubtedly.

Mr. HINDS. That is, you mean drive them out as competitors?

Mr. ATKINS. It would cripple a great many of them.
Mr. HINDS. And what would it do to the Louisiana and Texas people?
Mr. ATKINS. I do not think they could produce in Louisiana without some protection.

(Hearings, p. 165.)

Mr. MADISON. Suppose we were to have absolute free trade in sugars in this country; suppose we just simply took down the bars and absolutely eliminated our tariff duties on sugar. You said a while ago that it would destroy the beet-sugar man, did you not?

Mr. ATKINS. Absolute free trade would destroy very many of the beet factories; not all of them.

Mr. MADISON. It would practically destroy them all, would it not?

Mr. ATKINS. It would injure the industry—absolute free trade.

Mr. MADISON. I just want to get the fact of the matter, whatever it may be. Would it injure it materially or only slightly?

Mr. ATKINS. Under absolute free trade there are very many beet factories in the country that could not operate at all. Some of them could. Some of the factories that are protected by 1,000 and 1,500 miles of freight rates could get along, where they get their beets cheap and produce at a very low cost, as in California; they could survive, in my opinion. They saw they could not. But absolute free trade would cripple many of the beet-sugar manufacturers. It would cripple the Louisiana people by bringing prices down to a point below their cost of production. That would not be the case with a little reduction in the tariff. They would go on and reduce their expenses where they could and continue producing. If you wipe out a large source of supplies temporarily, you are going to advance the price of that merchandise.

Mr. MADISON. What would be the effect on the Hawaiian and the Porto Rican producers of sugar?

Mr. ATKINS. It would reduce their price.

Mr. MADISON. What effect would it have on the industry, as to whether it would materially impair and injure it or not?

Mr. ATKINS. They would tell you that it would destroy the industry completely. And I will tell you no; that it would not. The better of them would go on.

(Hearings, p. 173.)

Mr. HINDS. If we should reduce in this country the tariff on sugar, if we should wipe it out, you say it would almost destroy the cane-sugar industry in this country and the beet-sugar industry?

Mr. ATKINS. Why, I think it would; because \$1.34 a hundred is a great part of the price, you know.

CHARLES R. HEIKE, SECRETARY AMERICAN SUGAR REFINING CO. FROM 1887 TO 1910.

(Hearings, p. 208.)

Mr. FORDNEY. If the duty were removed on foreign imported sugar, would the benefits inure to the beet-sugar industry and not to the refiners that refine foreign imported raw sugar?

Mr. HEIKE. The refiners would have the advantage.

Mr. FORDNEY. That is what I meant.

Mr. HEIKE. The beet-sugar companies probably would find great difficulty in making beet sugars at all.

(Hearings, p. 238.)

Mr. FORDNEY. Mr. Heike, I do not know that I made myself fully clear in one question this morning. I think we agreed on the same point, which is the reason I want to be clear. I think you stated to me a reduction of the duty on imported raw sugar would quite surely be disastrous to the domestic beet and cane industry and would inure to the benefit of the refiners?

Mr. HEIKE. Yes, sir; I think the disaster depends upon the extent.

Mr. FORDNEY. If we were to have free trade on sugar, the beet-sugar industries would be obliged to cease?

Mr. HEIKE. Yes; except the favored localities.

Mr. FORDNEY. That is, if the price of raw—

The CHAIRMAN. What is the answer, Mr. Heike?

Mr. HEIKE. I say yes; except the favored localities; for instance, California; I guess they could.

Mr. FORDNEY. If the price of raw sugar were to be reduced to the extent of the duty?

Mr. HEIKE. Yes; and if we had absolute free trade.

Mr. FORDNEY. The beet-sugar industry would have to go out of business?

Mr. HEIKE. At least the Michigan, I think, would. Perhaps not. For that reason, if there was a reduction, it should be very slowly made.

(Hearings, p. 292.)

Mr. FORDNEY. Now, if the duty were removed absolutely on sugar, could we produce either cane or beets in this country?

Mr. HEIKE. I doubt it very much.

Mr. FORDNEY. Then that would destroy the industry absolutely in this country?

Mr. HEIKE. Yes.

Mr. FORDNEY. And you would approve of that?

Mr. HEIKE. Yes.

HENRY T. OXNARD, BEET AND CANE SUGAR MANUFACTURER.

(Hearings, p. 440.)

Mr. RAKER. How much do you say the duty could be reduced?

Mr. OXNARD. Not a bit, not one farthing. If you reduce it, you are going to knock out the beet business. The beet business has not yet developed to that point where it is time to talk of reducing the duty on sugar if you are going to build it up. If you want to stop it, reduce the duty.

JAMES H. POST, PRESIDENT NATIONAL SUGAR REFINING CO.

(Hearings, p. 525.)

Mr. SULZER. If the duty was taken off raw sugar entirely, what reduction in price to the consumer would that bring about, in your opinion?

Mr. POST. In a few years it probably would reduce it a cent a pound. It would materially curtail, of course, the production of sugar in this country—Louisiana and Hawaii.

(Hearings, p. 536.)

The CHAIRMAN. You said that if we had all sugar, raw and refined, free, that within a year you thought it would reduce the price of sugar to the consumer about a cent a pound?

Mr. POST. It would not reduce it the full amount of the duty. It would put some out of business. It would take two or three years to adjust the business.

(Hearings, p. 542.)

Mr. FORDNEY. If we were to deduct the duty from the sugar—abolish the duty altogether on sugar—you would then be able to lay down in our markets refined sugar at 2.86 $\frac{1}{2}$ cents?

Mr. POST. Yes.

Mr. FORDNEY. And with those prices your profits would be just as great as they are at the present time?

Mr. POST. Yes.

Mr. FORDNEY. Or more, because you would not have to use that capital for the payment of duties?

Mr. POST. Yes.

Mr. FORDNEY. At that price can any domestic cane or beet sugar industry in this country survive?

Mr. POST. It can not, in my opinion, except at a few places—in Colorado, California, and Utah.

Mr. FORDNEY. They would be wiped out at one stroke of the pen by that kind of a law, would they not?

Mr. POST. Yes, sir.

HORACE HAVEMEYER, FORMERLY DIRECTOR AMERICAN SUGAR REFINING CO., NOW SUIVING FOR CONTROL OF NATIONAL SUGAR REFINING CO.

(Hearings, p. 597.)

Mr. FORDNEY. Mr. Havemeyer, let me put it in this way: If the duty were removed on all imported raw sugars right now—it has been clearly brought out here by several witnesses that the domestic industry can not survive without protection—and if the duty were removed right now, there is no question in your mind that the beet and cane industry of this country would have to cease doing business?

Mr. HAVEMEYER. Yes; that is my belief—if it were removed.

CHARLES B. WARREN, PRESIDENT MICHIGAN BEET SUGAR CO.

(Hearings, p. 721.)

Mr. GARRETT. Free sugar would reduce the price?

Mr. WARREN. You gave the Cubans a concession, you know—

Mr. GARRETT. Free sugar would reduce the price?

Mr. WARREN. Certainly, for awhile, until they drove us out of business, and then the Germans would take care of the price of dry granulated in Germany, and the Russians in Russia, and the French in France, and they would put the price on raw sugar up, and you would pay the price, and they would get it easier. That is what would happen to the United States.

THOMAS R. CUTLER, PRESIDENT UTAH-IDAHO BEET SUGAR CO.

(Hearings, p. 810.)

Mr. CUTLER. I think they ought to be inquired into further. You are asking a question, and I will elaborate on it a little bit. The refiners are clamoring, of course, no doubt, for a reduction of the tariff. Who would be benefited by a reduction of the tariff? Why, the refiners, as against the beet-sugar factories. The refiners, if they can buy their sugar for two-thirds of what they are paying to-day will, of course, be benefited.

Mr. MALBY. Raw sugars, you mean?

Mr. CUTLER. Yes; raw sugars. They will continue in business and they will sell more sugars. Sugar will become cheaper. They will sell more sugar because sugar is cheaper. They will have less money invested in their business. There is a greater opportunity to make profits when sugars are low than when they are high. It is all in favor of the refiners. There is a great howl for free trade on sugars, but they will kill the beet-sugar industry, sure.

(Hearings, p. 851.)

The CHAIRMAN. You said this morning, during the progress of the examination, that the beet-sugar people could not get along without the present tariff. Am I quoting you correctly on that?

Mr. CUTLER. I feel that way—that they could not and pay dividends. The CHAIRMAN. And pay dividends; and you also said charge off the proper amount for depreciation of the plant?

Mr. CUTLER. I said I could not. I did not apply it to anyone else. I let everybody else make their own statements.

CHESTER S. MOREY, PRESIDENT GREAT WESTERN (BEET) SUGAR CO.

(Hearings, p. 894.)

Mr. MALBY. Something has been said with respect to the effect upon the beet industry in case of the repeal of the present tariff. Is that found to be advantageous?

Mr. MOREY. We could not live without the present tariff. I do not believe there would be a beet factory in the United States if the tariff were removed. That is my honest opinion.

JOHN D. SPRECKELS, PRESIDENT WESTERN SUGAR REFINING CO. AND SPRECKELS SUGAR CO.

(Hearings, p. 957.)

Mr. SPRECKELS. Take the tariff off of the sugar, and it means the death of the beet-sugar industry in this country. They employ lots of labor in the factories. Of course, they will have to seek other employment if those factories are closed.

(Hearings, p. 991.)

Mr. SPRECKELS. My statement is that if the duty was taken off that would mean the annihilation of the beet-sugar interests in this country.

Mr. MADISON. Yes.

Mr. SPRECKELS. I mean the utter destruction of it.

(Hearings, p. 1018.)

Mr. HINDS. So it is not absolutely certain that by doing as this circular advises—taking off the protection from the beet-sugar companies and turning it to the refiners, the trust, and the other refiners—you would get cheaper sugar?

Mr. SPRECKELS. No; not at all; because you are going to drive out the beet business, and, of course, there will be that amount of deficiency; and the question is, Can that deficiency be made up elsewhere? And if it can not be made up, of course there will be a shortage, and then the law of supply and demand is going to rule.

CHARLES W. NIBLEY, DIRECTOR, UTAH-IDAHO SUGAR CO.

(Hearings, p. 1107.)

Mr. SULZER. I say, so you believe that there is no legislation that Congress can enact in regard to the product of sugar and the price of sugar to the people that would cheapen the cost of sugar to the consumer thereof?

Mr. NIBLEY. Oh, yes; I think they could. If they took the tariff off of sugar entirely I think it would probably—probably cheapen the price

a little temporarily, but it would be at the ruin of the great beet-sugar industry—the utter ruin.

Mr. SULZER. You are pretty sure of that, in your judgment.

Mr. NIBLEY. I am.

(Hearings, pp. 1107-1108.)

Mr. RAKER. There is one other question I would like to ask Mr. Nibley. He has been very positive in one answer, and I would like to have him take his time and get it in the record as he understands it. You say, if the tariff was taken off of sugar, the importation of sugar, raw and refined—I understand both—or either, that it would ruin the beet-sugar industry?

Mr. NIBLEY. Yes.

Mr. RAKER. Will you explain, Mr. Nibley, why it would?

Mr. NIBLEY. Because sugar would be temporarily, for a year or two or three, cheaper, so much cheaper that it would ruin that industry, and my opinion is—of course, that can only be a matter of opinion with you or I or anybody—my opinion is that in a little while the price would come back to about where it was before, and that it might be fixed up in some way so that it would be even more.

Mr. RAKER. But you did not get the purport of my question, and when I get that I am through. You say it would ruin the beet industry?

Mr. NIBLEY. Yes.

Mr. RAKER. Which means the cultivation of the beets, the beet manufactories, and those engaged in either of them?

Mr. NIBLEY. That is what it means.

Mr. RAKER. It would ruin their business?

Mr. NIBLEY. Certainly it would.

Mr. RAKER. They could not stand a reduction of half a cent?

Mr. NIBLEY. No, no. I think some of the factories now are not making half a dollar a bag, on an average, where they have to ship it to the river.

WILLIAM F. GILMORE, PARTNER IN ARBUCKLE BROS.

(Hearings, p. 1168.)

Mr. MADISON. Suppose we just went to work and took the duty off, then what would occur?

Mr. GILMORE. There would be cheaper sugar.

Mr. MADISON. What would be the effect as to your people—beneficial or otherwise?

Mr. GILMORE. It would be beneficial in so much that we would have only about half the money invested in the job.

Mr. MADISON. It would be beneficial inasmuch as it would destroy the beet-sugar people?

Mr. GILMORE. It would keep them at home.

Mr. MADISON. Keep them in a limited locality?

Mr. GILMORE. Yes.

Mr. MADISON. And leave the field to you people that is naturally yours, as you feel?

Mr. GILMORE. Our natural field; yes.

WILLIAM A. JAMISON, PARTNER IN ARBUCKLE BROS.

(Hearings, p. 1195.)

Mr. JAMISON. If there was no duty, I do not think the beet would be so prosperous, and we would probably sell more sugar. If the duty was removed, I mean to say.

F. C. LOWRY, SALES AGENT, FEDERAL SUGAR REFINING CO.

(Hearings, p. 1612.)

Mr. FORDNEY. You do not care a snap about the domestic industry, do you, in reference to this statement, if your statement just now is true?

Mr. LOWRY. You say I do not care a snap about the domestic industry?

Mr. FORDNEY. No. You do not care whether it succeeds or not. You are not interested in the welfare of the beet and cane sugar industry of this country.

Mr. LOWRY. Not particularly; no.

Mr. FORDNEY. You, then, would be willing to have sugar put upon the free list, even though it crushed out this domestic industry?

Mr. LOWRY. No, sir; I do not think it would be quite fair to put sugar on the free list. I think it would be very desirable from the consumer's standpoint, but I am frank to say that I do not think it would be quite fair at this time.

(Hearings, p. 1735.)

Mr. FORDNEY. If taking off the duty would destroy the industry, you would destroy it, would you?

Mr. LOWRY. How is that?

Mr. FORDNEY. If by putting imported raw sugars on the free list the domestic beet and cane industries in this country would perish, you would destroy them, would you?

Mr. LOWRY. I testified yesterday that I did not think it would be fair to the domestic industry to put sugar on the free list.

JOHN DYMOND, LOUISIANA SUGAR PLANTERS' ASSOCIATION.

(Hearings, pp. 1792-1793.)

Mr. RAKER. Will you just tell me how it will affect the Louisiana planters, supposing we should reduce the tariff by about one-half on the importation of sugar, raw sugar and refined sugar?

Mr. DYMOND. I should say they would not be able to pay their debts, if they had any.

Mr. RAKER. Why?

Mr. DYMOND. Simply from the fact that they would get still less for their sugar than they now do, and they are right on the fighting line now, and it is only the most enterprising, skillful ones who are successful.

THEODORE S. WILKINSON, LOUISIANA CANE PLANTER AND MANUFACTURER.

(Hearings, p. 1814.)

Mr. FORDNEY. Now, Mr. Wilkinson, you are familiar with our tariff laws and know what the duty is on sugar. The bulk of our raw import sugars that pay duty come from Cuba, and the duty on Cuban sugar is 1.348 cents per pound. If that duty were removed and it were possible for refiners to buy foreign sugar for just that much less, how long would your sugar industry in Louisiana continue to do business?

Mr. WILKINSON. It would go out very soon. Of course there would be intermediate steps. The first step would be to grind up our stock in hand, but that would go out very soon.

Mr. FORDNEY. The refiners could refine foreign sugar and undersell you and drive you out of business?

Mr. WILKINSON. Yes.

J. E. BURGUIERES, VICE PRESIDENT NEW ORLEANS SUGAR PLANTERS' ASSOCIATION.

(Hearings, p. 1872.)

Mr. MADISON. Do you think a material cut could be made in the tariff without seriously injuring your industry?

Mr. BURGUIERES. I maintain, and our records will prove it, that no cut could be made without seriously hampering the industry and withholding any further developments.

Mr. MADISON. Suppose the sugar tariff was cut in two?

Mr. BURGUIERES. If the sugar tariff was cut in two, it would completely and immediately annihilate the sugar industry of Louisiana.

Mr. MADISON. Wipe it off of the face of the earth?

Mr. BURGUIERES. Wipe it off of the face of the earth.

(Hearings, p. 1876.)

Mr. FORDNEY. Mr. Burguiere, you have stated that one-half of the people of the State of Louisiana, if I am correct in my assertion, are engaged in the production of sugar. You have also stated that the boll weevil is a great menace to the cotton industry of your State.

Mr. BURGUIERES. It has reduced it 75 per cent in the last two or three years.

Mr. FORDNEY. Is it not true, sir, that the agitation of men who believe in free trade on sugar or a material reduction in the duty on sugar are a greater menace to the people of the State of Louisiana and the sugar industry than the boll weevil is to the cotton industry?

Mr. BURGUIERES. I have never had a doubt about that, sir.

Mr. FORDNEY. I agree with you. They are worse, ten times over, than the boll weevil.

Mr. BURGUIERES. I think ten times would be putting it very mildly, sir.

Mr. FORDNEY. I agree with you, sir.

Mr. BURGUIERES. A million times would not be too many times.

WILLIAM C. STUBBS, LOUISIANA SCIENTIFIC AND AGRICULTURAL ASSOCIATION.

(Hearings, p. 1910.)

Mr. FORDNEY. Doctor, in calling you back here to testify further, is it not your opinion right now that they might just as well right now as ever dissipate any idea they may have that they can get any opinion out of you that this industry can live without a tariff?

Mr. STUBBS. I want to say, Mr. HARDWICK, it is only a question of this: If you, as a Democratic Party here, are willing to sacrifice the beet-sugar industry of the United States and the cane-sugar industry, all you have to do on earth is to take the tariff off.

Mr. FORDNEY. Good.

Mr. STUBBS. And I want to say another thing. It takes three years to go out of the sugar industry and it takes three years to go back. If you were to come to Louisiana to-morrow and start cane growing, it would be three years before you would have a product for sale.

When you abolish this tariff or interfere with it in such a manner as to make sugar growing unprofitable, we would live two or three years, because it would take us that long to get out of the industry. Then you can expect our biggest factories to go to Cuba and Porto Rico and our small ones to go to the junk heap.

If you are willing to destroy an industry like our sugar industry in Louisiana and to destroy this beet-sugar industry, and I do not know how much that is worth, and do not want the revenue from sugar, all you have to do is to do that, and you can write our obituary the day you do it.

The CHAIRMAN. That is what every beneficiary of the tariff says, from California to Maine.

WASHINGTON B. THOMAS, CHAIRMAN BOARD OF DIRECTORS AMERICAN SUGAR REFINING CO.

(Hearings, p. 2025.)

Mr. THOMAS. Yes; I think a material reduction in the tariff would possibly increase the business of the refineries on the eastern seaboard.

Mr. HINDS. That is, of the cane refineries?

Mr. THOMAS. Of the cane refineries, and would adversely affect the beet-sugar factories.

Mr. HINDS. So that in the grand strategy of the sugar situation a little lowering of the tariff would tend, probably, to help the cane refineries and check, perhaps, the beet-sugar refineries?

Mr. THOMAS. To some extent. That would be the tendency, I think.

TRUMAN G. PALMER, BEET-SUGAR STATISTICIAN.

(Hearings, p. 2785.)

Mr. PALMER. Not only would our eight or nine hundred thousand tons be wiped out, but the wonderful stimulus that free entry into our market has had on the sugar produced in Hawaii and in Porto Rico would be gone, and those countries not only would not increase, but, in my judgment, would decrease their production.

The CHAIRMAN. Can not those prominent countries hold their own with the beet countries of Europe?

Mr. MALBY. The difficulty is they did not do it before.

The CHAIRMAN. They are built up now; they are established and on their feet.

Mr. MALBY. I think they could help.

Mr. PALMER. Porto Rico can not produce as cheaply as Cuba.

WALLACE P. WILLETT, EXPERT SUGAR STATISTICIAN.

(Hearings, p. 3087.)

Mr. HINDS. You would not think, then, that free sugar is compatible with the conditions of the beet-sugar industry?

Mr. WILLETT. Decidedly not.

Mr. HINDS. Decidedly not. So that, if you had free sugar, you would have to have some other method of encouraging the beet-sugar industry?

Mr. WILLETT. Well, yes, sir. You mean a bounty?

Mr. HINDS. You would have to have something of that sort, would you not, unless you wished to let the beet-sugar industry go?

Mr. WILLETT. Yes; you would have to have something of that kind. There would be none of the domestic industry that could live under free sugar.

Mr. HINDS. I just wanted to find out exactly what was in your mind on that question, which I thought was a very important question,

Mr. WILLETT. Yes. All the evidence shows that, I think, before the committee or anywhere.

(Hearings, p. 3752.)

Mr. MALBY. When we assemble ourselves and say "If it were not for the tariff we would get sugar 1½ cents per pound less," I sincerely doubt it, because of the fact that if our expectations were realized, and it was reduced 1½ cents per pound, I venture the suggestion there would be no sugar produced in the United States; and if no sugar were produced in the United States, which production now amounts to \$50,000 tons, the price of sugar would not be reduced 1½ cents, but by reason of that quantity being taken from the world's supply the chances are more than equal the price to the consumer under those conditions would be the full amount of the duty now paid. Now, those are matters which I want to submit to you and ask you whether or not they are entitled to very careful consideration at all times when we are dealing with this subject.

Mr. WILLETT. I think, Judge MALBY, you are absolutely correct in every statement you have made, in the event of the entire duty being taken off of sugar.

THE TWO CONFLICTING INTERESTS.

It thus appeared from the testimony before the special committee that the sugar industry was divided into two branches, whose interest would be diametrically affected by a reduction or the removal of the duty. On the one hand are the great refineries, which import large quantities of raw sugar of an average basis of, say, 96 per cent of purity and whose sole business is to transform this into pure granulated sugar. On the other hand are the sugar producers of the country, who raise the sugar from the soil. Of these, the cane producers sell their raw sugar to refiners or, as in the case of the large part of the Hawaiian crop, refine it in a refinery which they control. In the case of beet growers, however, no raw sugar is manufactured, but the product leaves the factories as pure granulated sugar equal for every practical purpose to that refined by the refiners.

It is not difficult to discover the underlying reason for the desire of the refiners for the abolition of the duty. They will get their raw material cheaper and, consequently, will have less capital invested in their raw material, or, as they express it, tied up in the tariff. They will lose less money in the 7 pounds of raw sugar which is lost in the manufacture of 100 pounds of refined sugar. They will be able to make the same, or a greater, margin of profit upon the difference in prices between raw and refined, and will, therefore, make a larger percentage on their decreased capital. (Testimony of Edwin F. Atkins, 174; Chas. R. Heike, 287; James H. Post, 542; Wm. G. Gilmore, 1168; Wm. A. Jamison, 1211; F. C. Lowry, 1611-1612; C. A. Spreckels, 2249-2250, 2277.) They claim, and I see no reason to doubt their contention, that their differential, or difference, of 7½ cents per hundred pounds in the duty between pure raw sugar and refined sugar is of no practical benefit to them, and that they will cheerfully sacrifice it for the sake of the advantages to be gained by a removal of the duty. (Testimony of Edwin F. Atkins, 130, 132; Chas. R. Heike, 287; Wm. G. Gilmore, 1141; Wm. A. Jamison, 1212; C. A. Spreckels, 2255. See also Dr. H. W. Wiley, 3446.)

All these facts are so well understood that it is difficult to conceive of the sincerity of the claim that the refiners are benefiting by the tariff and would be injured by its abolition. Yet this claim is a popular one among those who are seeking political capital out of the present bill, particularly so far as the interests of the American Sugar Refining Co., commonly known as the Sugar Trust, are concerned. The testimony before the committee, however, shows that the interests of the American are substantially identical with those of the other refiners doing a similar business. It is true that the founder of the corporation, H. O. Havemeyer, after vainly attempting to get a reduction of the tariff (Hearings, p. 79), conceived the brilliant idea of making large investments in beet sugar so that the American would be on both sides of the tariff fence (Hearings, p. 2036), but if his plans contemplated a domination of the beet-sugar industry, they proved abortive, for that industry, as foreseen by the present acting president (Hearings, p. 86), grew beyond his control, and since his death the beet-sugar holdings of the corporation have been steadily reduced. At present the profits of the American from refining are \$3,000,000 a year. (Hearings, p. 50.) So that the interests of the corporation are overwhelmingly with the other refiners in favor of a reduction or removal of the tariff.

THE CHIEF REASON WHY REFINERS WANT FREE SUGAR.

The reasons above given by the refiners as to the benefits to be derived from free sugar seem to be sufficient, but there is another and more cogent reason for their anxiety in this behalf. It appears that the competition of the beet-sugar producers is making serious inroads upon the profits of the refiners and that a reduction or removal of the tariff is looked forward to

as a means of checking or destroying this active and growing competition and restoring the complete supremacy of the refining interests. On this point I will let the refiners speak for themselves:

The CHAIRMAN. Is it really on account of the competition, Mr. Atkins?

Mr. ATKINS. I think so. * * * There is very much larger capacity than is required, and the beet sugars are taking away the trade of the refiners year by year. (Atkins, 48.)

Mr. MADISON. So you can hardly ascribe it to the fierce competition by the beet-sugar people?

Mr. ATKINS. Certainly. All that beet sugar comes on the market at a certain season of the year. It is all produced in about three months' time. They all want to market it just as rapidly as possible, and in order to do that they come to the eastern points. California sugar comes into Chicago and the Michigan sugar into Buffalo and Pittsburgh, and eastern refineries—not only the American Sugar Refining Co., but the others—have to reduce or close down until the beet sugars are out of the way. Any refining that is done between the 1st of October and the 1st of January is done without any profit and very often at a loss.

Mr. MADISON. Then, as a matter of fact, your competition with the beet-sugar people only exists during a few months of the year?

Mr. ATKINS. Three months, and that is 25 per cent of the whole time. (Atkins, 49.)

Mr. MADISON. You stated a moment ago, Mr. Atkins, or this morning, that you decidedly opposed going into the beet-sugar business. What was the reason of that?

Mr. ATKINS. The beet-sugar business was a competitive business. It produced in the western territories, where our market lay. That is, I say our market, I mean the market of the refiners, the various refiners. As that industry grew, and I foresaw that it would grow rapidly, I believed that it would reduce the volume of business, not only of the American Sugar Refining Co., but of all the refiners on the Atlantic coast, and although we had millions of dollars invested in the business there we were building up a competitive business, one that would compete with ourselves and one which was bound to get away from us—we could not control it in the end. I say we. I had no connection whatever with it; that was simply a business man's opinion. (Atkins, 85-86.)

Mr. GARRETT. Do you know whether last year, at the time that beet-sugar manufactories began operations, any of the refining plants belonging to the American Sugar Refining Co. received instructions to, or did, without instructions, withdraw from the territory usually covered by the beet-sugar trade?

Mr. ATKINS. No; not through any instructions. They were forced to withdraw from the territory owing to the cutting of prices. We could not pay duty on imported sugars and get them so far west as would enable us to sell in competition with these beet sugars. (Atkins, 94.)

Mr. RAKER. How far west do you ship?

Mr. ATKINS. We ship, when we are able to do so, out to Omaha and Kansas City.

Mr. RAKER. You ship no farther than those points?

Mr. ATKINS. We would if we could, but we can not get in there owing to the competition of the beet factories. (Atkins, 99.)

Mr. HINDS. You think that the taking the tariff off would cripple the beet-sugar industry?

Mr. ATKINS. Undoubtedly.

Mr. HINDS. That is, you mean drive them out as competitors?

Mr. ATKINS. It would cripple a great many of them.

Mr. HINDS. And what would it do to the Louisiana and Texas people?

Mr. ATKINS. I do not think they could produce in Louisiana without some protection.

Mr. HINDS. If those people were eliminated, of whom would the American people buy their sugar?

Mr. ATKINS. They would buy sugars abroad. They could get a little more from Cuba; probably Germany.

Mr. HINDS. You think the Sugar Trust would still be in business selling to them?

Mr. ATKINS. Buying from them?

Mr. HINDS. No; selling to the American people.

Mr. ATKINS. In all probability. (Atkins, 145.)

Mr. FORDNEY. Mr. Heike, you spoke about the duty on sugar being an advantage to the refineries?

Mr. HEIKE. Of the beet-sugar companies, did I not?

Mr. FORDNEY. As against the beet-sugar industry?

Mr. HEIKE. No; in favor of the beet-sugar industry, the duty is.

Mr. FORDNEY. If the duty were removed on foreign imported sugar, would the benefits inure to the beet-sugar industry and not the refiners that refine foreign imported raw sugar?

Mr. HEIKE. The refiners would have the advantage.

Mr. FORDNEY. That is what I meant.

Mr. HEIKE. The beet-sugar companies probably would find great difficulty in making beet sugars at all. (Heike, 208.)

Mr. MADISON. It would be beneficial (removing the duty from raw sugar), inasmuch as it would destroy the beet-sugar people?

Mr. GILMORE. It would keep them at home.

Mr. MADISON. Keep them in a limited locality?

Mr. GILMORE. Yes.

Mr. MADISON. And leave the field to you people that is naturally yours, as you feel?

Mr. GILMORE. Our natural field. Yes.

Mr. MADISON. In other words, you feel that all east of the Mississippi River, where they can not very well produce sugar beets, is the natural field of the cane-sugar refiners, while the plains and mountain States, where conditions are favorable to the production of beet sugar, is the natural field for the beet-sugar people?

Mr. GILMORE. Yes; I think so. (Gilmore, 1168.)

Mr. RAKER. Michigan sugar, you say, competes with yours in New York?

Mr. JAMISON. Yes; the Michigan sugar has been down to New York State and all through there. It has interfered with us very largely in sales in Ohio and Pennsylvania.

Mr. RAKER. And West Virginia?

Mr. JAMISON. Yes.

Mr. RAKER. How would it affect you if there was no tax on the importation of sugar—raw sugar?

Mr. JAMISON. I think it would enable us to run more constantly.

Mr. RAKER. What do you mean by that, now?

Mr. JAMISON. To keep up the capacity.

Mr. RAKER. Will you explain it?

Mr. JAMISON. I mean we would be able to sell more sugar.

Mr. RAKER. Do you not have a supply all the time?

Mr. JAMISON. Well, we are not able to run full at all times.

Mr. RAKER. Because of the way raw sugar is shipped into the United States?

Mr. JAMISON. Oh, no; on account of the beet product. If there was no duty, I do not think the beet would be so prosperous, and we would probably sell more sugar. If the duty was removed, I mean to say. (Jamison, 1195.)

Mr. SULZER. I understood you to say that you believed the tariff on raw sugar should be materially reduced.

Mr. JAMISON. Yes.

Mr. SULZER. Just to what extent, in your judgment, should it be reduced?

Mr. JAMISON. I should think it should certainly be reduced 1 cent a pound.

Mr. SULZER. One cent a pound?

Mr. JAMISON. Yes.

Mr. SULZER. If it were reduced by legislation 1 cent a pound what, in your opinion, would be the result?

Mr. JAMISON. Well, I think it would confine the sale of beets very largely into their own territory instead of permitting them to absorb freight rates and sell their product about 10 or 20 points under the eastern granulated coming into this territory. It costs them anywhere from half a cent to three-quarters of a cent per pound freight to get it here. (Jamison, 1201.)

Mr. HINDS. Can you tell me how far in the East the beet-sugar people are able to market their sugar?

Mr. SPECKELS. There is the dividing line on the Missouri River. They sometimes come as far as Pittsburgh. I think the American Beet Sugar Co. has come once as far as New York City.

Mr. HINDS. Have they not come into New England, Mr. Speckels?

Mr. SPECKELS. They have come into the State of New York.

Mr. HINDS. Have they not also come into New England some?

Mr. SPECKELS. I think so.

Mr. HINDS. One member of the firm of Arbuckles testified that they had come into New England.

Mr. SPECKELS. Yes, sir.

Mr. HINDS. Are they showing a tendency to come farther east all the time?

Mr. SPECKELS. They are.

Mr. HINDS. And they make the competition severer, if it is competition?

Mr. SPECKELS. Yes.

Mr. HINDS. Continually?

Mr. SPECKELS. Yes, sir. They have frequently come as far as Pittsburgh. (C. A. Spreckels, 2267.)

Mr. HINDS. Mr. Speckels, you have been carrying on a campaign to reduce the tariff as beneficial to the cane-sugar refiners?

Mr. SPECKELS. I have.

Mr. HINDS. Of course, that will be damaging to the beet-sugar refiners?

Mr. SPECKELS. To some extent it will. (C. A. Spreckels, 2275.)

Mr. HINDS. In other words, perhaps, you would take it (the tariff) off, would you not, and have free trade?

Mr. SPECKELS. I would have free trade.

Mr. HINDS. You would have free trade in sugar?

Mr. SPECKELS. Absolutely. (C. A. Spreckels, 2277, 2278.)

With the interests of the two great branches of the sugar industry thus diametrically opposed, the present bill proposes to sacrifice one absolutely and leave the field in the possession of the other, the reason being as stated in the report of the Committee on Ways and Means accompanying this bill:

Beet sugar leaves the first manufacturing establishment in a refined condition, but all cane sugar, which constitutes about four-fifths of our consumption, must be refined; consequently the refining interest is the most important factor connected with sugar manufacturing in the United States. Therefore the industrial position of refining requires primary consideration. (Majority report, Committee on Ways and Means, p. 5.)

I can not subscribe to this conclusion. I do not think the mere magnitude of the refining interest output requires that it be given primary consideration in the struggle for control of the American market now in progress between the refiners and the beet-sugar producers. I would not wantonly attack either of these great industries, preferring to hold the scales of justice even, but I say, unhesitatingly, that if it becomes necessary to sacrifice one to the other it should not be the beet-sugar industry that should be sacrificed, provided the best interests of the whole country are to be considered.

VALUE OF BEET-SUGAR INDUSTRY.

The whole history of the culture of the sugar beet shows that low prices for sugar throughout the world began when men turned their backs on the plausible theory that the world's supply could be most cheaply raised by the cheap labor of the Tropical Zone and began to raise sugar in the Temperate Zone by the cultivation of beets. The history of the world further shows that in every country this has been regarded as a new and untried experiment, that all sorts of protective tariffs, bounties, and other forms of so-called "hothousing" were necessary before farmers could be educated, capital interested, manufacturing established, and consumers converted, but that in the end that production could be stimulated until the age-long supremacy of tropical cane sugar was successfully challenged and beet sugar established as an equal competitor in the race. The story of this struggle is interesting even in the figures of a statistical table. (Hearings, p. 3613.)

Cane and beet sugar production of the world, 1812 to 1910.
[Compiled by Truman G. Palmer.]

Year.	Tons of 2,240 pounds.			Per cent.	
	Total.	Cane.	Beet.	Cane.	Beet.
1812-13.....	(1)	(1)	23,437		
1836-37.....	(1)	(1)	26,408		
1840-41.....	1,150,000	1,100,000	50,000	95.65	4.35
1850-51.....	1,400,000	1,200,000	200,000	85.8	14.2
1853-54.....	1,420,558	1,219,558	201,000	85.9	14.1
1854-55.....	1,381,817	1,202,817	179,000	87.0	13.0
1855-56.....	1,413,498	1,176,498	237,000	83.2	16.8
1856-57.....	1,509,214	1,259,214	250,000	83.4	16.6
1857-58.....	1,662,253	1,300,253	362,000	78.2	21.8
1858-59.....	1,893,504	1,510,504	383,000	79.8	20.2
1859-60.....	1,674,316	1,291,316	383,000	77.1	22.9
1860-61.....	1,841,264	1,466,264	375,000	81.3	18.7
1861-62.....	2,006,226	1,601,226	405,000	79.8	20.2
1862-63.....	1,944,193	1,486,193	458,000	76.4	23.6
1863-64.....	1,809,664	1,433,664	436,000	76.7	23.3
1864-65.....	1,958,413	1,417,413	541,000	72.4	27.6
1865-66.....	2,168,872	1,488,872	680,000	68.6	31.4
1866-67.....	2,022,407	1,378,407	644,000	68.2	31.8
1867-68.....	2,204,871	1,636,096	628,775	72.3	27.8
1868-69.....	2,233,130	1,585,309	647,821	71.0	29.0
1869-70.....	2,496,285	1,662,239	833,046	66.6	33.4
1870-71.....	2,527,181	1,599,488	927,693	63.3	36.7
1871-72.....	2,650,663	1,791,184	859,479	67.6	32.4
1872-73.....	2,965,329	1,840,986	1,124,343	62.1	37.9
1873-74.....	2,857,612	1,711,763	1,145,849	59.9	40.1
1874-75.....	2,922,017	1,756,681	1,165,336	60.1	39.9
1875-76.....	3,043,749	1,692,828	1,350,921	55.6	44.4
1876-77.....	2,766,270	1,682,531	1,083,739	60.8	39.2
1877-78.....	3,114,273	1,715,900	1,398,373	55.1	44.9
1878-79.....	3,515,296	1,965,990	1,549,306	55.9	44.1
1879-80.....	3,334,268	1,903,316	1,430,952	57.1	42.9
1880-81.....	3,648,847	1,902,346	1,746,501	52.1	47.9
1881-82.....	3,847,668	2,016,084	1,831,584	52.4	47.6
1882-83.....	4,217,142	2,104,072	2,113,070	49.9	50.1
1883-84.....	4,871,079	2,547,531	2,323,548	52.3	47.7
1884-85.....	5,099,255	2,592,647	2,506,608	50.8	49.2
1885-86.....	4,888,340	2,702,850	2,185,490	55.3	44.7
1886-87.....	5,513,278	2,805,735	2,707,543	50.9	49.1
1887-88.....	5,084,981	2,642,000	2,442,981	52.0	48.0
1888-89.....	5,224,379	2,480,700	2,743,679	47.5	52.5
1889-90.....	6,054,209	2,475,800	3,578,409	40.9	59.1
1890-91.....	6,524,609	2,808,900	3,655,709	44.0	56.0
1891-92.....	6,683,497	3,231,561	3,451,936	48.3	51.7
1892-93.....	6,431,609	3,045,186	3,386,423	47.3	52.7
1893-94.....	7,379,862	3,531,621	3,848,241	47.9	52.1
1894-95.....	8,247,553	3,510,670	4,736,883	42.6	57.4
1895-96.....	7,056,401	2,809,477	4,246,924	39.8	60.2
1896-97.....	7,718,279	2,841,857	4,876,422	36.8	63.2
1897-98.....	7,660,068	2,864,255	4,795,813	37.4	62.6
1898-99.....	7,931,275	2,995,438	4,935,837	37.8	62.2
1899-1900.....	8,500,109	3,056,294	5,403,815	35.7	64.3
1900-1901.....	9,618,333	3,646,059	5,972,274	37.9	62.1
1901-2.....	10,895,588	4,078,944	6,816,644	37.4	62.6
1902-3.....	9,804,339	4,144,453	5,659,886	42.3	57.7
1903-4.....	10,333,674	4,244,206	6,089,468	41.1	58.9
1904-5.....	9,552,635	4,629,937	4,922,698	48.5	51.5
1905-6.....	13,950,992	6,733,626	7,217,366	48.2	51.8
1906-7.....	14,486,073	7,342,255	7,143,818	50.7	49.3
1907-8.....	13,886,681	6,914,481	6,972,200	49.8	50.2
1908-9.....	14,565,944	7,638,069	6,927,875	52.4	47.6
1909-10.....	14,920,548	8,333,042	6,587,506	55.8	44.2
1910-11.....	16,926,398	8,371,178	8,555,220	49.5	50.5

¹No data. ²French product. ³France, 35,000 tons; Germany, 1,408 tons.

Not only have the European nations which have protected the beet-sugar industry become self-supporting and exporters of sugar, but the cultivation of the sugar beet has had an extraordinary effect upon their general agricultural prosperity. Not only does it necessitate careful farming, but the beet itself by breaking up the deep soil with its tap-root and innumerable rootlets greatly increases the yield of cereal crops planted in rotation with it. (Hearings, pp. 2497-2498.)

The effect in Germany was thus described:

(Hearings, p. 2506.)

Mr. PALMER. This is showing what Germany has done in the way of increasing her yield. In wheat in 25 years Germany increased her yield per acre 58.8 per cent. During that time the price of wheat increased 53.5 per cent. But Germany reduced her acreage of wheat notwithstanding that 4.5 per cent. On rye she increased her yield 85.1 per cent; the price of rye increased 42.4 per cent, and she increased her acreage but 5.1 per cent. Of barley she increased her yield 64.8 per cent; the price of barley increased 13.3 per cent; she reduced her acreage of barley 5.4 per cent. Of oats she increased her yield 77.4 per cent; the price of oats increased 46.2 per cent; she increased her oat acreage 14.2 per cent. Of those four cereals the average increase in yield in Germany was 78.5 per cent; the increase in price per bushel was 39.2; and Germany's increase in acreage of those was 5 per cent. Of potatoes she increased her yield 65.6 per cent per acre; the price of potatoes advanced 38.6 per cent; and she increased her area 14.3 per cent, making of these five crops an increase in yield of 88.6 per cent, an increase in price per bushel average, of 45.4 per cent, and an increase in area of 6.7 per cent. Now we come to sugar beets. Her sugar-beet yield per acre increased but 7.1 per cent, as against 88.6 of all these other crops that she has not increased any in her area. The price of sugar on the Magdeburg Exchange during that time instead of going up to 45.4 per cent, as these other crops have, dropped 53.3, and yet she increased her sugar-beet area 60.4 per cent. Why did she do it?

The CHAIRMAN. That is what we would like to hear you explain about; why do you think she did it?

Mr. PALMER. On account of the indirect advantages, nothing else.

The CHAIRMAN. Indirect agricultural benefit to the land?

Mr. PALMER. Yes, sir.

In America a case was cited where a farmer in Utah increased his yield of wheat from 25 bushels to 45 bushels to the acre by planting it after sugar beets. (Hearings, p. 2498.) In Germany a like experiment on 135 farms showed an increase in wheat of 24 per cent, in rye 15 per cent, in barley 25 per cent, in oats 41½ per cent, and in potatoes 102 per cent. (Hearings, p. 2787.) That our Department of Agriculture does not believe that the refining interest requires primary consideration is shown by the following testimony of Dr. Wiley:

(Hearings, p. 3455.)

The CHAIRMAN. Let us see how far you will go in this matter of protection. Suppose the truth is that it costs about 4 cents a pound to produce every pound of beet and cane sugar in the United States, while other countries may, on account of their condition, method of production, labor, or other causes, produce cane sugar for 1 cent per pound and beet sugar for 2 cents per pound, do you still think the American consumer ought to pay the difference in price?

Dr. WILEY. That is a pretty difficult proposition; you are asking me to consider a good many things.

The CHAIRMAN. I just want to see how far you are a protectionist.

Dr. WILEY. I will tell you very frankly how far I will go. When I consider the beneficial effect of this sugar industry on other agricultural industries I would go as far as it would be profitable to the farmers of the United States to maintain that industry.

The CHAIRMAN. No matter how much it cost the people who consumed that sugar?

Dr. WILEY. Yes; no matter how much it cost. If it were a benefit to the agricultural interests of this country as a whole, then I am for it. If I look at it simply from a standpoint of the interest of the man making the sugar, as I stated before, I would not want to tax myself as a consumer too much, but if I see by paying a little more for my sugar the great agricultural industry in this country is benefited, I am willing to pay it. I would go just that far.

There are still other matters which should be taken into consideration in determining which interest deserves primary consideration. For economic reasons refineries must be located on the seacoast (Hearings, pp. 595, 1012), where the supply of raw sugar is available. Their history shows a large percentage of failures while they were split into small, competing concerns, and their officers claimed emphatically that only through combination into a few large concerns were they able to effect those economies necessary to successful operation. (Hearings, pp. 20, 180, 2022.) Beet-sugar factories, on the other hand, are established at numerous points in the interior in comparatively small and independent units, where combination on a large scale does not seem to be necessary or possible to produce efficiency. (Hearings, pp. 1090, 1101.)

THE INTERESTS OF THE CONSUMER.

Where, then, are we to seek for the reason for this sudden and unexpected solicitude on the part of the majority of this House for the interests controlling the refining of foreign raw sugar? It is stated as a convenient makeshift that the removal of duty is in the interest of the consumer.

Who has spoken for the consumer? It is true that the mails of every Member of this House have been flooded with petitions on yellow, perforated paper, praying for a reduction or removal of the duty. Some members of the special committee, during the early stages of the hearing, showed that they had mistaken this for the voice of the people. One of the most important results of the committee's investigation, however, was to disclose the source of this agitation. Mr. Frank C. Lowry, whose name has extensively appeared as "secretary of the committee of wholesale grocers," was summoned before the committee. It soon developed that Mr. Lowry was the sales agent of the Federal Sugar Refining Co., one of the concerns vitally interested in the reduction of the tariff. It was further shown that his "committee of wholesale grocers" was a hollow sham, having no organization, no dues, and no meetings, even to the extent that no two had ever met together. (Hearings, pp. 1607-1611.) The entire initiative in the matter had come from the Federal Sugar Refining Co. and its president, Mr. Claus A. Spreckels. The money for this campaign had been contributed solely by the Federal Sugar Refining Co. (Hearings, pp. 2276, 3379), no grocer or consumer having paid a dollar for the cause (Hearings, p. 1608). The yellow petitions had been sent out, together with a circular which was shown upon cross-examination to abound in misstatements of fact and erroneous conclusions. Seldom has a bubble blown to such proportions as to resemble a popular demand been so effectually pricked by a little cross-examination as were the statements in this circular when its author appeared before the committee. (See particularly pp. 1634-1637 and testimony of T. G. Palmer, pp. 2603, 2621, 2670, 2675-2677.)

The real position of the consumer in this country is not difficult to discover. To one who appreciates the significance of actions as compared with words, it can be found summarized in the following table:

American and European per capita consumption.

Otto Licht's monthly report, dated Magdeburg, December 9, 1910, gives the following table, showing the per capita consumption in Europe:

Countries.	Population.	Consumption of sugar per head.	
		Kilograms.	Pounds.
Germany.....	64,724,000	19.75	43.45
Austria-Hungary.....	51,018,000	11.43	25.14
France.....	39,450,000	17.18	37.80
Russia.....	128,171,000	10.39	22.82
Belgium.....	7,186,000	14.71	32.36
Holland.....	5,826,000	19.79	43.53
Sweden.....	5,476,000	24.50	53.90
Norway.....	2,350,000	18.99	41.78
Denmark.....	2,726,000	35.34	77.75
Italy.....	34,270,000	4.24	9.33
Spain.....	19,750,000	6.45	14.20
Roumania.....	6,800,000	4.31	9.50
Finland.....	2,969,000	14.75	32.45
Bulgaria.....	4,253,000	3.20	7.05
Greece.....	2,636,000	3.42	7.52
Servia.....	2,821,000	3.44	7.58
Turkey in Asia.....	24,050,000	5.86	12.89
Portugal and Madeira.....	5,760,000	6.42	14.12
Switzerland.....	3,559,000	29.14	64.10
England.....	45,472,000	39.23	86.30
Total Europe.....	459,527,000	14.82	32.60
United States (Willett & Gray, 1910).....	91,972,266	37.05	81.60

The position of the American consumer in consuming more sugar per capita than any other nation in the world except England, more than twice as much as the inhabitant of France, Austria, Russia, and Belgium, and more than four times as much as the inhabitant of Italy, Spain, and Portugal, is deeply significant of his satisfaction with the price of sugar as compared with the wages he earns and the standard of living which he is able to maintain.

This per capita consumption is a sensitive barometer. During the last five months of the year 1911 the price of sugar was abnormally high, with the result that the consumption for the entire year was brought down from 81 pounds per capita to 79 pounds per capita. Except for such temporary checks, however, the following table from Willett & Gray's Statistical Journal for January 4, 1912, shows that the satisfaction of the American consumer has been expressed by a steadily increasing per capita allowance for himself and his family.

Year.	Total consumption.	Per capita.	Increase or decrease.
	Tons.	Pounds.	Per cent.
1911.....	3,351,391	79.2	10.031
1910.....	3,350,355	81.6	12.845
1909.....	3,257,060	81.8	12.256
1908.....	3,155,789	81.17	14.406
1907.....	2,993,979	77.54	14.538
1906.....	2,864,013	76.1	18.806
1905.....	2,632,216	70.5	14.876
1904.....	2,767,162	75.3	18.531
1903.....	2,549,643	70.9	10.642
1902.....	2,566,108	72.8	18.169
1901.....	2,372,316	69.7	16.868
1900.....	2,219,847	66.6	16.826
1899.....	2,078,068	61.0	13.750
1898.....	2,002,902	60.3	13.287
1897.....	2,070,978	63.5	16.747
1896.....	1,940,086	60.9	10.495
1895.....	1,949,744	64.23	13.129
1894.....	2,012,714	66.64	15.006
1893.....	1,905,862	63.83	12.832
1892.....	1,833,370	63.76	12.016
1891.....	1,872,460	67.46	12.963
1890.....	1,822,731	54.56	15.767
1889.....	1,439,701	52.64	11.205
1888.....	1,457,264	54.23	14.620
1887.....	1,392,909	53.11	12.736
1886.....	1,355,809	52.55	18.108
1885.....	1,254,116	49.95	10.140
1884.....	1,252,366	51.00	17.006
1883.....	1,170,375	.....	10.286
1882.....	1,061,220	.....	16.813
1881.....	993,532	.....	.....

¹ Increase.

² Decrease.

Average increase in total consumption for 30 years, 4.267 per cent.

RESULT OF FREE SUGAR.

The removal of the duty on sugar being ostensibly for the benefit of the consumer, ordinary regard for his interest should seem to demand that before such a radical departure from the system existing in every civilized country is made the probable effects should be carefully studied. So far as the testimony taken before the special committee is concerned, it indicates neither the certainty nor even the probability that the total abolition of the duty will be of any ultimate benefit to the consumer whatever.

The assertion is made that this bill will reduce the price of sugar to the consumer by 1½ cents a pound. Even if the statement were given full weight, it must be remembered that certainly not more than 50 pounds per capita, and probably not much more than 30 pounds, is consumed directly as sugar (Hearings, pp. 613, 915, 1165, 2652, 3153), while the rest finds its way into a thousand different forms of manufacture, from candy and condensed milk to chewing gum and tobacco, where the saving of a fraction of a cent per unit can not conceivably make any material difference in the retail price to the consumer. Accepting the saving to the consumer at its full value, therefore, the destruction of the domestic industry is to be purchased at the magnificent price of a saving of 75 cents a year to each inhabitant.

The truth of the assertion, however, finds no support from the testimony taken before the special committee. On the contrary, the indications are strong that after a temporary drop in price has put the American producer out of business the shortage in the world's supply thus created will force the price above the original level.

THE WORLD'S SUPPLY OF SUGAR.

The great fallacy in the proposition is the underlying assumption, seldom expressed but necessarily implied, that if our tariff is removed our markets will be opened to a large or practically inexhaustible supply of sugar which is waiting on the outside ready to come in at a low price. No testimony before the committee showed the existence of any such continuous source of supply. It is true that at the present moment Russia has nearly 1,000,000 tons of surplus sugar locked up under the artificial arrangements of the Brussels Convention, which govern European production and distribution. (Hearings, pp. 3543, 3562.) This sugar is entitled to the equivalent of an export bounty at present reckoned by the United States Treasury Department at 72 cents a hundred pounds (Hearings, p. 3588), and as the present bill does not even save the counter-vailing duty this sugar would be freed to swamp our beet-sugar industry during the first year.

After that, however, we are met with the portentous fact that in the face of an increasing world's consumption the world's production fell from 16,900,000 tons in 1910-11 to 15,500,000 tons estimated for the coming year, a decrease of 1,400,000 tons. (Hearings, p. 3585.) In other words, there is no great quantity of sugar permanently available for the American consumer above that already required for the world's consumption. I have no doubt that, in addition to the immediate dumping of the Russian surplus upon us, every effort possible will be made to lower the price of sugar until the American producer is driven out of the business; but the fact that the resulting shortage of nearly 1,000,000 tons in the world's supply will permanently increase the price to the American consumer appears as reasonably certain as any forecast of market conditions can be.

THE WORLD'S PRICE OF SUGAR.

Besides throwing the American consumer upon the mercy of a world's production, which does not exist in quantities adequate to his needs, we are further throwing him upon the mercy of the most artificially controlled price of a staple article in the world. It is a matter of congratulation that the speculative features of buying and selling which are so prevalent with respect to wheat, cotton, and other crops are absent from the sugar industry in America. (Hearings, p. 3072.) In Europe, however, where the world's market and world's prices are controlled, the situation is quite otherwise. Not only was Europe described as a network of sugarhouses and exchanges, facilitating constant speculation (Hearings, pp. 3067, 3583), but the very Governments of European countries, acting through the Brussels Convention, exercise an artificial control over sugar which can at any time affect the world's price. The situation as regards Russia, already referred to, is a case in point. During the past six months the price of sugar in Europe has been determined not by the law of supply and demand, but by the action of a committee which was called to determine how much, if any, additional sugar Russia should be allowed to export and by the predictions of the speculators as to the action of that committee. (Hearings, p. 3584.) Under the Brussels Convention Russia is allowed to export only 200,000 tons of sugar a year to convention countries. In view of the world-wide prevalence of high prices during last fall Russia applied for permission to export 500,000 tons, but after much delay and negotiation the amount was finally fixed at 350,000 tons, an amount not sufficient to relieve the present shortage.

Should the present bill become a law, it is to the artificial conditions of this kind, of which the American consumer knows little and over which he has no control, that his interests are to be intrusted.

Under these circumstances it would apparently be the duty of those seeking to serve the interests of the consumer to inquire most carefully if any other form of relief, if relief is needed, would be more likely to give more permanent benefit to the object of their solicitude. Here again the testimony before the special committee would seem to indicate that such a method is readily available. It was pointed out by Mr. W. P. Willett, the sugar expert, in the following language:

(Willett, pp. 3083-3084.)

Mr. SULZER. What, in your judgment as an expert, would bridge about a permanent reduction of the cost of manufactured sugar to the consumers of the United States?

Mr. WILLETT. By increasing the amount of domestic production and in Porto Rico and Hawaii—that is, by increasing the quantity of sugar within the United States to the extent that we would be required to purchase no sugar whatever at world prices. Last year we bought only 77,000 tons at the world price. We were as near as that to that condition in 1910. We did come within 77,000 tons of being entirely free and independent of the world's prices, whereas a few years before we had been importing 6,700,000 tons. (Misprint: should be 670,000.)

Mr. SULZER. In other words, you think it advisable for the Government of the United States to do everything within its legitimate scope to encourage the growth of cane and beet sugar in the United States?

Mr. WILLETT. Yes, sir.

Mr. SULZER. And in our insular possessions?

Mr. WILLETT. Yes, sir; in our insular possessions.

(Willett, p. 3589.)

Mr. HINDS. Then, Mr. Willett, the world's price for sugar is not a supply-and-demand price entirely, is it?

Mr. WILLETT. What reference has that to Russia?

Mr. HINDS. With all these arrangements of bounty and these other arrangements, it results that the supply and demand of sugars—

Mr. WILLETT (interposing). You mean it is not free to seek a proper level?

Mr. HINDS. Yes.

Mr. WILLETT. No; it is not free throughout the world to seek a proper level of price.

Mr. HINDS. And the world's price is an artificial price?

Mr. WILLETT. To the extent that the trade of the world is not free and open and clear and it is subject to bounties and restrictions and conditions. What we want to do is to get independent of all that, and we can do it.

Mr. HINDS. Suppose we increase considerably in the Philippines and Cuba increases considerably and the beet-sugar supply in this country doubles, will not that make a revolution in sugar?

Mr. WILLETT. Most decidedly. That is what I say—Increase the Cuban, Porto Rican, Hawaiian, Philippine, and domestic cane and beet sugar industry to a point above our requirements for consumption up to 500,000 tons, so that if Cuba should give out some year and not produce much sugar we would still have enough for our consumption. Then we would be independent of the world, and we would make our own (world's) price.

Mr. HINDS. And what ought that price to be in the United States?

Mr. WILLETT. That price, after equalizing the production to consumption, will depend upon the competition between the different interests—between Cuba, Porto Rico, Hawaii, and the domestic beet and cane industry. They will all be working to get our market, and the consumer then will get the advantage.

Mr. HINDS. And probably we would get the cheapest sugar on earth?

Mr. WILLETT. We would get the cheapest sugar on earth under those conditions. There is no doubt about that.

Mr. HINDS. And is that situation really in sight, do you think?

Mr. WILLETT. We came within 74,000 tons of it in 1910, and this year, according to the outlook of the Cuban crop at the present moment, we will come—I should say that we might meet it, provided that the shortage in Europe does not infringe upon our Cuban reserve. Already the United Kingdom has bought 140,000 tons away from our supply in Cuba, but they are reselling to, or trying to.

(Willett, pp. 3556-3557.)

Mr. WILLETT. * * * This promotion of our industry is a much more vital point (from the consumers' standpoint included) than is a reduction of tariff to a point that lets in foreign sugar and thereby diminishes the home protection. Whenever we reach the condition indicated, competition between our free and partially free duty producers will begin and the consumers will benefit thereby and the United States will be entirely free from the speculative and other influences which control the world's price, and it is not unreasonable to expect that, under the conditions indicated, the United States will become a considerable exporter of its surplus production to the foreign countries which may be short of supplies, as under present conditions abroad.

As showing the ultimate effect of home production equal to or surpassing home consumption, I call attention specially for earnest consideration to the fact that in 1910 we reached this desired consummation within 74,000 tons, and as a result we were almost independent of Europe; so much so, in fact, that we got our supplies from Cuba at over one-half cent per pound under world's prices, during which time one man (Santa Maria) was carrying on a big bull speculation in Europe in which we would certainly have been involved but for this limited amount we required that year. In 1911 the Cuban crop fell short of 1910 by 320,898 tons, and we required 212,182 tons from abroad to complete our supplies; hence we were involved in the world's prices in 1911, and the result was a hue and cry against the high prices of sugar. I am not making an argument, but am simply pointing to the facts that appear to me to make the consideration of the increase in our local supplies of greater importance in legislation than a reduction of duties beyond certain limits, those limits to be such as will positively exclude all sugars outside those of our States and dependencies.

(Willett, p. 3978.)

In all these analyses I reach the same conclusion—that to decrease the price of sugar to the consumer, increase the domestic production as rapidly as possible.

In view of this testimony the present bill seems to have been framed and presented with deplorable ignorance of the actual conditions existing within and outside of the United States, or else as a deliberate attempt to make political capital out of the popular misapprehension as to the ultimate effects of free sugar.

Mr. HARDWICK. Mr. Chairman, in the year 1910, which was a normal year in both sugar consumption and sugar production, the total consumption of the United States of refined sugar was about 3,350,000 long tons. Of this amount we produced 330,000 tons of domestic cane in Louisiana and Texas, 457,000 tons of domestic beet in the West, and 15,000 tons of domestic maple and molasses in Louisiana, Texas, and the West, thus making the total sugar production in continental United States 805,000 tons.

From our insular possessions we get the following amounts, free of duty: From Hawaii, 459,000 tons; from Porto Rico, 217,000 tons; from the Philippines, 96,000 tons—a total from our insular possessions of 832,000 tons.

From Cuba we import 1,640,000 tons and from all other countries, except Cuba, 73,000 tons, making up the total consumption of 3,350,000 tons.

It is thus apparent, Mr. Chairman, that Continental United States is now producing about 25 per cent of the country's consumption of sugar; that our insular possessions are producing another 25 per cent of that consumption, and that the island of Cuba produces almost all of the other 50 per cent. To-day Continental United States is only producing one-fourth of the sugar that we consume. We have not failed to do better than this because of the absence of sufficient stimulation to the industry in the way of tariff duties on sugar, for since the very beginning of this Government heavy tariff duties have been levied on sugar with the exception of one brief period, that from 1890 to 1894. The act of 1879 carried a sugar tax of 3 cents per pound and in 1790 the tariff was 5 cents per pound; in 1794, 4 cents per pound; in 1816, 3 cents per pound on brown or raw sugar, 4 cents per pound on white or refined sugar, 10 cents per pound on lump sugar, and 12 cents per pound on loaf sugar. In 1832 the tax was 2½ cents per pound on brown sugar and 3½ on refined sugar; in 1842 it was 2½ cents per pound on brown sugar and 6 cents per pound on refined sugar; in 1846, three-fourths of a cent per pound on raw sugar and 2 cents per pound on refined sugar; in 1861, 2 cents per pound; in 1862, 2½ cents per pound; in 1864, 3 cents per pound; in 1870, 4 cents per pound; in 1883, 2.24 cents per pound on raw sugar and 3½ cents per pound on refined sugar; in 1890, five-tenths of a cent per pound on refined sugar; and all other sugar under 16 Dutch standard in color, free, with a bounty of 2 cents per pound on domestic production; in 1894, 40 cents ad valorem and an additional tax of one-eighth of a cent per pound on refined sugar; in 1897, 1.685 cents per pound on raw sugar and 1.95 cents per pound on refined sugar; in 1909, 1.685 cents per pound on raw sugar and 1.90 cents per pound on refined sugar.

So, Mr. Chairman, the truth of the statement that the production of sugar has been substantially and almost uniformly stimulated by our tariff laws must be apparent to all, and if, during all the years that have elapsed since 1789, we have been unable to produce in this country the sugar that we consume, it is not because of a failure to grant long, permanent, and excessive "protection" to sugar.

I next invite the attention of the committee to a table showing the total consumption of sugar in the United States and the percentage of that consumption produced in the United States, beginning with the year 1830 and ending with the year 1911:

Consumption and production of sugar in the United States in certain years, in long tons.

Yer.	Total consumption.	Production in continental United States.	Per cent of consumption produced in continental United States.
1830.....	69,711	24,321	49
1840.....	107,177	51,556	48
1850.....	239,409	111,787	47
1860.....	428,785	120,845	28
1870.....	607,834	63,200	10.5
1880.....	856,784	151,736	16
1890.....	1,522,731	265,439	18
1894.....	2,012,714	312,079	15
1897.....	2,070,978	355,371	17
1898.....	2,002,902	293,905	14.5
1899.....	2,078,068	233,426	11
1900.....	2,219,847	269,833	12
1901.....	2,372,316	439,986	18
1902.....	2,571,359	473,126	18
1903.....	2,529,421	496,463	19
1904.....	2,678,060	423,135	16
1905.....	2,566,680	544,722	21
1906.....	2,825,343	613,717	21
1907.....	2,913,928	663,610	23
1908.....	3,097,153	780,200	25
1909.....	3,190,430	739,010	23
1910.....	3,302,938	785,595	24
1911.....	3,351,000	756,000	25

In the last column of this table I have figured the percentage of our consumption that the domestic industry has supplied in each of the years for which the figures are given. You will observe that as far back as the year 1830 we were producing 49 per cent of our sugar consumption; that the percentage remained practically unaltered until the beginning of our Civil War, when it fell to 28 per cent. You will also observe that in the year 1890, the year of the McKinley bill, it was 18 per cent. In 1894, the year of the Wilson bill, it was 17 per cent, and the last year for which the figures are given, 1911, it was 25 per cent. Since the passage of the Dingley bill, in 1897, consumption of sugar in the United States has increased from 2,070,978 tons to 3,351,000 tons in 1911, or an increase in consumption of 1,280,000 tons. During that same time production of sugar in continental United States increased from 353,371 tons to 756,000 tons, an increase in production of 402,629 tons as against the enormous increase in consumption of 1,280,000 tons, to which I have just alluded.

In 1830 we produced 49 per cent of the sugar we consumed; in 1897, 17 per cent; in 1911, 25 per cent; so that it does seem to me that, looking at this question solely from the standpoint of the ability of this country to produce its own sugar, there is any reasonable ground upon which to base the hope that the time will ever come when it can be done in our continental territory at least.

Mr. Chairman, in presenting this bill to the committee I am compelled, on account of the somewhat limited time at my command, to take up the subject in a rather desultory way. The question is so large a one and there are so many angles from which it ought to be considered that I can only hope, as I shall endeavor, to cover the whole ground as best I can and to discuss it from as many of those angles as possible. I shall discuss it first from the standpoint of the beet-sugar production, because that production is greater than cane-sugar production, and because so far during this debate we have heard more about beet-sugar production than about cane-sugar production, although I do not know but that that will be remedied at a later period in the debate.

Mr. WICKLIFFE. Will the gentleman yield for a question?

Mr. HARDWICK. Not now.

Mr. WICKLIFFE. It is right on this particular point.

Mr. HARDWICK. I am going to discuss the cane-sugar question a little later.

Mr. WICKLIFFE. If the gentleman will only permit me—

Mr. HARDWICK. No; I can not.

Mr. WICKLIFFE. It is right on this point.

Mr. HARDWICK. Very well; make it short.

Mr. WICKLIFFE. From the initial pound produced in Louisiana down to the year 1857, or the year 1859, the eve of the Civil War, the production of cane sugar in Louisiana went from that initial pound up to over a quarter of a million tons. With the coming on of the war, as the gentleman well knows—

Mr. HARDWICK. Mr. Chairman, I can not yield further.

Mr. WICKLIFFE (continuing). It went down to practically nothing, but by 1879, as they were coming out of the reconstruction period and out of the effects of that war, the cane production had got up to 79,000 tons, and by 1889 it was 189,000 tons—

Mr. HARDWICK. Mr. Chairman, I can not yield any further.

Mr. WICKLIFFE. Mr. Chairman, I think out of courtesy the gentleman ought to yield to me further.

Mr. HARDWICK. The gentleman from Louisiana frames with his own lips the strongest indictment that can be made against the sugar-cane industry in Louisiana. He says its production was over a quarter of a million tons at the beginning of the Civil War, and yet from 1861 up to the present moment it has only reached 330,000 tons.

Mr. WICKLIFFE. But do not these figures show that it went down in 1870 as the effect of the war?

Mr. HARDWICK. That may be true, but, in my judgment, you will never be able to recover—

Mr. WICKLIFFE. From the war?

Mr. HARDWICK. No; you will never be able to recover the lost ground, because your industry has been hothoused from the very beginning, artificially stimulated from its inception, because it can not continue to exist except at the continued and tremendous expense of the American consumers, and, in my judgment, they are not going to stand it any longer. [Applause on the Democratic side.]

Mr. Chairman, how much is invested in the beet-sugar industry of the country? How much real money has been put in it and is in it to-day? In this connection I call attention to the report of the special committee that investigated the great sugar industry of the country, a report unanimous in its findings, and according to that report—page 26—the real investment in the beet-sugar industry of the country is about \$60,000,000, although their capitalization, according to the evidence taken

by the committee, was about \$104,000,000, and is claimed to be \$129,000,000, according to one of the census reports referred to by the gentleman from Alabama [Mr. UNDERWOOD].

Pardon me, Mr. Chairman, if I digress for just a moment to discuss a somewhat tangential question. How much interest has the American Sugar Refining Co., commonly known as the Sugar Trust, in the beet-sugar companies of the country; to what extent are the latter real independents and actual competitors of the trusts? The beet-sugar companies produce 14 per cent of the country's consumption of sugar, and of those companies the trust owns the majority of the stock or is the largest and most influential and, I believe, the controlling stockholder in companies that produce more than one-half of the total beet-sugar production of the country. And yet the contention is seriously made to this House and to the country that the beet-sugar producers are real independents; that they are engaged in a battle royal with their largest stockholder and strongest ally; that they can not stand the removal of the "protection" that they have so long enjoyed. It is contended for them that they are the only real competitors of the trust, that their margin of profit is small, and that they can not live without continued governmental favor and unabated tariff protection; and my friend from Michigan [Mr. FORDNEY], who preceded me in this debate, sings their death wail upon this floor, as he tells this House and the American people that the beet-sugar industry of this country is doomed to destruction if this bill should become a law.

It is well to weigh with some care the soundness of this appeal; it is well to consider with some caution the accuracy of this claim. Let us take the great beet-sugar company from the gentleman's own State, the Michigan Beet Sugar Co., in which the trust is the largest and most potent stockholder, exercising what I believe to be a dominating and controlling influence over its business and its policy.

On May 25, 1910, the company held its annual meeting at the Eddy Building, Detroit, Mich. Let me quote to you briefly from the Beet Sugar Journal of June, 1910:

The Michigan Sugar Co. reports a profitable year. The regular annual meeting of stockholders of the Michigan Sugar Co. was held at the Eddy Building, Detroit, Mich., Wednesday afternoon, May 25, 1910. There was a representative attendance to hear the statement of the officers as to the year's business. The year was a profitable one, the company being able to show a surplus of \$3,025,000 after expending \$3,500,000 for labor and beets, and also paying regular dividends not only on the preferred, but on the common stock as well. As the Wednesday meeting was the regular annual meeting, no dividend was declared.

I next invite your attention to an extract from the Beet Sugar Journal of July 6, 1910:

Offers of 121 for stock in the Michigan Sugar Co. have been made within the last month, and the stock is now considered one of the best on the Detroit or, for that matter, any market. The enormous profits, coupled with the favorable prospects, are the causes for the increase in interest and price in stock. The net profits of the Michigan Sugar Co. in 1909 exceeded \$1,500,000, and the financial statement submitted at the annual meeting last month showed a surplus of \$3,000,000. By a person in close touch with the workings of the company it is stated that the earnings from the sale of the by-products is almost enough to meet the dividend payments. The stock has trebled in value in little more than a year.

"Michigan sugar stock is now one of the best investments possible," says a local broker who has been prominent in handling the stock; "there are more buyers for it than there is stock for sale, and probabilities are an even higher mark than already touched will be reached before the break comes. All Michigan sugar companies are prospering. When the 'trust' came into the State some years ago it smashed many independent companies, but in recent years, due to the improved methods of growing and manufacturing, which permits large profits to the farmer and extraordinary profits to the factory, several independent companies have been rehabilitated and are now sharing in the general prosperity."

This company was chartered with a capital stock of about \$9,000,000, one-half common and one-half preferred. The combined daily slicing capacity of its six factories is very little in excess of 4,000 tons of beets per day. Measured by the standard of cost given us by beet-sugar factory men themselves, the six factories of the Michigan Sugar Co. do not represent an actual investment of more than \$4,500,000, or about the amount of its preferred stock. The four and one-half millions of common stock was water, promoter's profit, and tariff capitalization, nothing more and nothing less, and yet it has increased its capital stock from \$9,000,000 to \$12,000,000 out of its earnings, and from 1906, when it was organized, to 1910, if we may believe the Beet Sugar Journal, it has more than trebled the value of its stock, until to-day the stock that was originally water is selling at \$121 per share, and yet this selfsame Michigan Sugar Co. is one of the loudest of all in its protest against tariff reduction, and especially against free sugar, pleading the baby act and crying that it can not stand without protection from the Government.

Let us take another specific case. I refer next to the Great Western Sugar Co., "a corporation under the laws of New Jer-

sey," operating in Colorado, and in which the American Sugar Refining Co. is again the largest and, I believe, the controlling stockholder. It is capitalized at \$30,000,000, one-half common and one-half preferred stock; possibly one-half value and certainly at least one-half water.

Mr. HUGHES of New Jersey. Is the gentleman sure that it is only half water?

Mr. HARDWICK. Testimony at the hearings indicated that, to my mind. It is capitalized at \$30,000,000; its slicing capacity is 9,700 tons of beets daily. Tested by the standard of cost given us by the beet-sugar factory people themselves, this would make a total real value for the nine factories of the Great Western Sugar Co. of about \$12,000,000, and, as the gentleman from New Jersey [Mr. HUGHES] has suggested, it would seem to be true that even a little more than one-half of the total capitalization of \$30,000,000 is water. At any rate, when we say that only one-half is water we think we have been more than fair to the company. This great sugar company long has reaped a rich, golden harvest from the patient and long-suffering people; and yet how much do you suppose that this great sugar company values its property for taxation when it comes to make its tax returns to the State of Colorado? Two and one-half million dollars. You ask me how much water there is in its stock? Under oath to the tax officers of the State of Colorado, its officers claimed that its property is worth about two and one-half millions, and yet it is capitalized at \$30,000,000 and is crying aloud to-day because we are unwilling to let them declare dividends on water for all the years to come at the expense of every housewife and every grocery-bill payer in the land.

Mr. MARTIN of Colorado. It seems to me that the gentleman is making an awfully poor showing as to the sugar company, if it has an actual value of only \$2,500,000 and is capitalized at \$30,000,000. They ought to take example from the Standard Oil Co.

Mr. HARDWICK. I do not claim that this mania for over-capitalization is peculiar to the sugar industry alone. I admit that it is everywhere, in every line of industry, but I am opposed to it all, and I especially object to it when they seek to capitalize the tariff and lay the heavy burden of continued dividends on watered stock upon the backs and stomachs of the American people.

Now, let us take another of these puling infants—the American Beet Sugar Co. This company is capitalized at \$20,000,000—\$5,000,000 preferred and \$15,000,000 common; \$5,000,000 value and \$15,000,000 water. With a slicing capacity of about 4,000 tons per day, the real value of its five plants, four in Colorado and one in Washington, can not exceed \$5,000,000, according to the standard of value fixed by one of its chief owners, Mr. Oxnard, and yet to-day preferred stock of the American Beet Co. is above par and the common is above 50. They have capitalized the tariff to the extent that they have made seven and one-half million dollars' profit in 12 years, besides paying 6 per cent on their actual investment. I invite your attention to a statement in the Beet Sugar Journal of April, 1911, in reference to the profits of this company:

"American Beet Sugar Co. sets new high record. The report of the American Sugar Co. for the year ended March 31, 1911, shows total income of \$8,357,012, an increase of \$1,347,368 over the previous year, and a surplus, after preferred-stock dividends, of \$1,643,659, equal to 10.95 per cent earned on the \$15,000,000 of common stock, compared with \$1,097,252, or 7.31 per cent, earned in the previous year. The common stock has not yet paid any dividends. The preferred pays 6 per cent. Comparative results for the past three years follow."

Then are given the figures for 1911, 1910, and 1909. For 1909 the gross receipts were \$7,135,326; total income, \$7,156,855; expenses, interest, tax, etc., \$5,863,713; balance, \$1,293,143. Well, now, we will take 1910: Gross receipts, \$6,983,772; total income, \$7,009,644; expenses, tax, interest, etc., \$5,612,391; balance, \$1,397,252. For 1911: Gross receipts, \$8,344,792; total income, \$8,357,012; expenses, interest, tax, etc., \$6,413,353; balance, \$1,943,659. Preferred dividends, \$300,000 in each of the years 1911 and 1910 and \$245,400 in the year 1909, leaving a surplus of \$1,643,659 in the year 1911, \$1,097,252 in the year 1910, and \$1,047,743 in the year 1909. "The general balance sheet as of March 31 shows total assets of \$22,577,371."

"The reserve for working capital is \$1,825,637, against \$832,151 a year ago, and there is a reserve for betterments and improvements of \$377,246, a new item. Bills payable to the amount of \$1,266,000, which appeared in the previous balance sheet, have been paid off. H. R. Duval, president, says: 'The surplus has been applied to working capital, which is now adequate for ordinary operations. The company is now free of all debt. There was an increased production of 196,741 bags, exceeding that of any former year. The increase was principally due to California, though Grand Island increased 31,704 bags. In Colorado the decrease was 88,624 bags. Due largely to increased efficiency of the plants, the cost of making sugar, as compared with previous campaigns, was somewhat diminished. Taxes increased \$30,989, of which \$25,560 was the Federal corporation income tax. Depreciation and maintenance cost \$344,842—was \$13,119 less than last year.' The design of this expenditure (included in the above statement in expenses) is to keep the plants up to their original condition."

I next invite your attention to a statement in the American Sugar Industry of March, 1912, in reference to the profits of

this same company—the American Beet Sugar Co.—for the year ending March 30, 1912:

The net earnings of the American Beet Sugar Co. for the fiscal year ending March 31, 1912, will probably not exceed 12 per cent, instead of the 15 per cent estimated last December. The reason assigned for this is that the company began to sell its 1911 crop too early. Sales were made in advance of production in order to take advantage of what seemed a very flattering profit. Sugar prices advanced, and it is estimated the difference to the company amounted to between \$300,000 and \$500,000. The company then went to the other extreme and held back the remainder of the 1911 crop on a declining market.

And yet this American Beet Sugar Co. protests that it can not exist without protection, and urges that it should be allowed to continue to extort excessive profits on watered capitalization from the pockets of the American consumer.

Let me cite one more example of exactly the sort of "protection" we are urged to continue at the expense of the American consumer for the benefit of these lusty "infants." Probably the first beet factory in the country in recent years was established about 1887 by Mr. C. A. Spreckels, sr., at Watsonville, Cal. According to the sworn evidence of Mr. C. A. Spreckels, jr., a son of the man who built it and owned it, this factory made 12 per cent the first year of its operation. The following year it made 80 per cent. It was capitalized at \$500,000, of which only \$400,000 was paid in actual cash, so that its owners got back more than its entire capital from two years of its operation, and finally suspended because the Sugar Trust had then acquired an interest in it and would not pay more than \$4 per ton for beets, and by this niggardly policy caused the farmers to plant fruit orchards instead of beets.

This brings me next, Mr. Chairman, to the discussion of another important phase of the beet-sugar question. Our good friends from the beet-sugar regions, where the sunshine of God is very bright and is so easily coined into sugar, protest against this bill in the name of the American farmer. Mr. Chairman, it is my experience that there have been more appeals to demagoguery, more appeals to prejudice, more appeals to ignorance, in this House and in Congress in the name of the American farmer than in almost any other name that I can think of, except possibly the American laborer, and it does seem to me that this particular appeal is the most unjustifiable I have ever heard, and I protest against it as emphatically as I can in the name of the great masses of American farmers throughout the country who constitute in a very large measure the backbone of its prosperity and well-being and who demand no more than a square deal and an even chance to earn their living by the sweat of their own brows in the sunshine of the Almighty unhampered by excessive and unnecessary burdens and unfair discriminations against them and demanding neither discrimination in their favor against other people nor special privileges of any kind whatsoever.

It is contended, in the first place, that the American farmer is paid more for his beets than the European farmer, and must be paid less if the tariff on sugar is removed. I dispute both propositions. First, I say the American is not paid more for his beets than the European farmer. In connection with that proposition I desire to first cite an extract from Willett & Gray's Sugar Journal of June 12, 1901, when that journal was advocating Cuban reciprocity:

The heavy protection now granted to beet-sugar producers all goes to the manufacturers, who do not pay the farmers any more than is received by the farmers in Germany for beets. German factories produce refined sugar at a cost of less than 2½ cents per pound, exclusive of bounty, and American factories suitably located and ably managed should be able to do as well. American manufacturers have already demonstrated their ability to produce sugar at 3 cents per pound; therefore the heavy protection now granted is not needed and the removal of duty on Cuban raw sugar will neither ruin the business of the beet-sugar manufacturers nor injuriously affect the farmer.

In answer to the tables furnished by the gentleman from Michigan [Mr. FORDNEY] on this subject, I wish to invite attention to the fact that the tables cited by that gentleman contain prices paid in Germany throughout a series of years, and that they have not been compared by the gentleman with any similar tables giving averages in prices paid for beets in this country during the same period of years. On the contrary, the gentleman undertook to compare them with American prices paid in the year 1911. This is manifestly unfair, because the prices paid for beets were higher in 1911 than they were in 1902, for instance, both in this country and in Germany. It would seem to me that the fairer comparison would be to take the year 1911 and compare the prices for that year in Europe and America. In 1911 the prices of beets, according to the findings of the special committee, were \$5.30 per ton in California, \$5 per ton in Utah and Idaho, from \$5.50 to \$6.50 per ton in Colorado and Nebraska, and between \$5 and \$6 in Michigan. Compare these prices with the prices paid in Europe. Mr. Czarnikaw, of London, one of the most eminent authorities on sugar conditions

in the whole world, states that the usual price paid for beets in countries that are parties to the Brussels convention—and that includes most of the beet-sugar producing countries in Europe—was \$5.11 to \$5.48 per ton. Messrs. L. Behrens & Son, of Hamburg, fix the price at from \$5.32 to \$6.70 per ton. Messrs. H. J. Merck & Co., of Hamburg, reporting for the district of Stettin, fix the average price at \$5.78 per ton. In Posen the price varied from \$5.59 to \$6.49, the average being \$6.27 per ton. In Belgium and Holland the average in 1911 was \$5.79 per ton.

In addition to the above, in Denmark at least, and probably in Germany and other European countries, besides receiving payment for his beets according to the agreed scale, the farmer is also given in payment for his beets a percentage of the factory profits. So it seems to me, Mr. Chairman, that the American farmer is not well treated by our beet factories in comparison with the treatment the European farmers receive from the European beet factories, and that the American farmer is not as well paid for his beets as the European farmer. It seems to me that the "protection" that has been so bounteously given the beet-sugar people has gone to swell profits of overcapitalized factories rather than to increase the profits of American farmers. In this connection I wish to read you a telegram that I have just received this morning and that bears directly on this subject:

NEW YORK, March 14, 1912.

THOMAS W. HARDWICK,

House of Representatives, Washington, D. C.:

Referring to our conversation of the other day, I am unable to ascertain the name of the gentleman whom I met on the train coming East on March 2 last. He stated in the presence of a number of witnesses that he had been to California for the purpose of selling beet-sugar seed, and was on his way to see Mr. Joseph Smith, head of the Mormon Church, and exhibited a telegram stating arrangements were made for him to lunch with Mr. Smith on March 4. He was met at Ogden by a number of gentlemen, indicating his being of some importance. He claimed to be a manufacturer of beet sugar in Germany, and stated that he and manufacturers of beet sugar in general had to pay about \$7.50 per ton this year for sugar beets, while during the last year they paid only from \$5.50 to \$6 per ton. The reason for this was that farmers were dissatisfied and could no longer be induced to raise them for less. He stated, further, that the manufacturing cost was about the same; labor in Europe, perhaps, being less, but fuel, on the other hand, higher.

C. A. SPRECKELS.

Mr. MONDELL. I would like to ask the gentleman from Georgia who is this man who is being quoted?

Mr. HARDWICK. Mr. C. A. Spreckels.

Mr. MONDELL. But the gentleman who made this statement, who is he?

Mr. HARDWICK. If the gentleman from Wyoming had listened to the reading of the telegram, he would not have asked the question.

Mr. MONDELL. It seems to have been some gentleman whose name is unknown. His identity is unknown.

Mr. HARDWICK. That is just what the telegram says.

Now, I want to make this one other suggestion along the line of the hypocrisy of this cry that this tax on American consumption ought to be retained to "protect" the American farmer. Let me suggest to the gentlemen who raise that cry, who are so solicitous of the interest of the American farmer, that it is rather wonderful to recall that when they and their party came to protect the American farmer from competition with his Canadian neighbor they imposed the low tax of "10 per cent ad valorem on sugar beets," and that in 1909, 37,731 tons of sugar beets were imported from Canada into the United States, and in 1910, 57,950 tons, all of this importation being sold to the Michigan Sugar Co. and the Mount Clemmons Sugar Co.

I next invite your attention to another phase of this question. It appeared from the testimony of many of the witnesses who were engaged as farmers in the production of sugar beets in the various Western States that the net profits per acre of the sugar-beet farmers varied from \$19.20 to \$76. Taking the average of the figures given by the first 14 witnesses on this subject, it would appear that the average net profit per acre of the sugar-beet farmer throughout the West was about \$43.37 in the year 1911. According to the figures of the Department of Agriculture, the average net profit of the American farmer in the production of wheat was \$3.07 per acre, and the average net profit of the American farmer engaged in the production of corn was \$8.15 per acre. The above averages do not include any allowances whatever for rent of land. These are given by the department for the year 1909, but I do not believe that the figures of 1911 or 1912 will materially vary from them. The estimate of the average net profit of the American farmer engaged in the production of cotton is not above \$6 per acre. It is often much less, but certainly never much larger. Now, is the American farmer who makes \$3.07 on his acre of wheat, or \$6 on his acre of cotton, or \$8.15 on his acre of corn, to be taxed

in order that other American farmers, infinitely smaller in number, shall be allowed to make \$43.37 on an acre of beets? Such a contention does not appeal to my sense of justice, nor do I believe that it will ever be indorsed by the people of America, if any party should have the temerity to present it.

As I have already stated, I firmly believe that sugar can be put on the free list without a cent's reduction to the farmer who raises sugar beets, if the beet-sugar factories will simply be content to accept a fair and reasonable return on their actual and legitimate investment; but in any event, I am unwilling to tax all of the American people in order to give a few thousand American farmers a better price for their sugar-beets.

Mr. Chairman, I next wish to invite your attention to a comparison between the cost of production of beet sugar in the United States and in Germany. According to the findings of the special committee on sugar, the average American cost of production of refined beet sugar was 3.54 cents per pound, against the German average cost of production of 2.415 cents per pound. It must be remembered, however, that the American figures were given by witnesses who are interested in making the cost of production here appear as high as possible, so as to give greater force to their demand for continued protection; and it is worthy of note that, according to their own admissions, the Spreckels Sugar Co., of California, is producing beet sugar at 2.71 cents per pound, and the Oxnard factory of the American Beet Sugar Co. at 2.81 cents per pound, and according to the testimony of Mr. Coombs, of Colorado, the Great Western is producing it at 2.59 cents per pound. I quite firmly believe that the best equipped and most favorably located of our beet-sugar factories are to-day producing beet sugar at nearly if not quite as low a cost as their European competitors and that they can stand alone against Germany without any tariff protection whatever, pay the farmer the present price for his beets, and make a fair and reasonable profit on their actual investments, although I think it quite probable that without tariff aid they will find it difficult, if not impossible, to continue to pay huge dividends on excessively watered stock.

I call the attention of the committee to the fact that in 1910 the export price of granulated sugar at Hamburg (first marks) was 3.21 cents per pound. Add 0.12 cent per pound for freight to New York and 0.18 cent per pound for difference in grade, and this makes a price of 3½ cents per pound, which the American beet-sugar factories would have to meet at the Atlantic coast. When the freight rate of 0.38 cent per pound from New York to Missouri River points, which are the principal competitive points, is added, then this makes a price of 3.88 cents per pound, which the beet-sugar factories must meet in Missouri River territory. In addition to this, it must be remembered that the freight rate from New York to Michigan, Colorado, Utah, Idaho, California, Minnesota, Ohio, and Iowa points is much greater in all instances than 0.38 cent per pound and that German sugar could not get into the home territory of the beet-sugar factories under 4 cents per pound.

It is thus evident that almost every beet factory that is willing to take a reasonable profit on honest capitalization can live under free sugar and do fairly well at that.

Mr. HOWELL. While there is that margin, do you suppose that the German producer is going to sell his sugar at the bare cost of manufacture any more than the Americans?

Mr. HARDWICK. No; the cheapest price, exclusive of duty, at which German beet sugar got into New York in the year 1910 was 3.5 cents per pound, and the cheapest price at which it could have gotten into Missouri territory was 3.88 cents per pound.

Mr. MONDELL. Mr. Chairman, will the gentleman yield?

Mr. HARDWICK. Yes.

Mr. MONDELL. The gentleman has said that the average German cost is about 1½ cents less than the American cost?

Mr. HARDWICK. I have given the committee the figures.

Mr. MONDELL. Can the gentleman, on the face of that, contend that the American can live at that rate?

Mr. HARDWICK. Mr. Chairman, I can not yield further on that point, as I have already shown the committee how he can live and do fairly well at that if he will only be content to take a reasonable profit on the capital really invested in his business. I earnestly contend that he will get along if he will do that, and I earnestly contend that the Congress of the United States ought to require him to do that for the benefit of the American consumer. I will now yield to the gentleman from Utah.

Mr. HOWELL. Mr. Chairman, I want the gentleman to state what are the freight charges from the factories of Utah, Colorado, and California to the Missouri River points.

Mr. HARDWICK. From Michigan it is 38 cents per hundred pounds, or the same as the rate from New York; from Colorado it is 25 cents per hundred pounds; from Utah it is 50 cents per hundred pounds, as I understand and remember the figures.

Now, as I have already stated, there is a large scope of territory where imported sugar could not come at all without paying a freight rate of 78 to 80 cents per hundred pounds. It would cost them at least that to get into Colorado, and possibly more to get into Utah. They could not get into California unless they absorbed an even greater freight rate, unless the operation of the Panama Canal should make a difference.

Now, Mr. Chairman, it is contended for the beet-sugar people that they have been philanthropists and public benefactors in more than one respect. They contend, and the gentleman from Michigan [Mr. FORDNEY] has made an elaborate effort to sustain that contention, that they are responsible for the decline from the high price which sugar touched during September, 1911. Such is not the case, in my judgment, nor does the testimony taken before the committee on sugar substantiate the contention. That the beet-sugar factories would have taken a lower price than the prevailing and current market price is too ridiculous a contention to merit serious argument. I believe it is almost, if not quite universally, true that the seller of an article gets the highest possible price therefor. I am sure that this is true of the producer of cotton, corn, and wheat, and everything else that I know anything about, and I am sure that it is equally true in the manufacturer of beet sugar. It is quite true that they sold it at a lower price on some occasions, but only when they had sold it in advance of the market and before the rise in the market. Quotations for beet sugar f. o. b. Hamburg fell 2 shillings and 9 pence between the high-water mark in September and December 4, 1911, a reaction of 0.66 cent per pound; in the meantime, the American beet-sugar factories sold their product in September for 6.5 cents per pound, and on December 4 it declined to 5.9 cents per pound, a reduction of 0.60 cent per pound. Over 500,000 tons of domestic sugar had begun to come on the market in July—before the sharp advance—and was in no way responsible for the decline in the price of sugar which came after the 1st of October, 1911. It seems more reasonable to conclude that the 6,500,000 tons produced in Europe and coming into the market about the 1st of October was responsible for that reaction in price. As an indication of what the American consumer may expect from the American beet-sugar industry, let me call the attention of the committee and of the country to a recent occurrence. About the middle of February, in anticipation of higher prices, the beet-sugar factories with one accord withdrew their product from the market, although 25 per cent of their production was then unsold. On February 29, 1912, Willett & Gray's Statistical Trade Journal contains this statement: "The beet-sugar factories are still quoting 5.90 cents less 2 per cent, and thus practically withdrawn from the general market." When it is remembered that the cane refineries were then selling at 5.80 cents and that the beet-sugar factories suddenly withdrew from the market, with one-fourth of their product unsold, in an effort to force higher prices, although the price was then nearly 2½ cents per pound above the figure that they had themselves fixed as their cost of production, their philanthropy and public-spirited generosity to the consuming public will be well understood and properly appreciated.

Now, let me refer to just one other proof that these highly protected beet-sugar factories are real "philanthropists" and sell sugar cheaper than the market price simply to benefit the American consumer. They all admit that they add to the price of every pound of sugar sold at their factory doors the freight rate from New York to that factory door, and so far as even giving to the local consumers and their own neighbors the benefits that should accrue from the location of these beet factories among them, they simply say to their neighbors and local consumers, "If we were not here you would have to pay the freight on your sugar from New York, so you must pay us that freight rate, too, although the sugar we sell you never travels a mile."

Mr. HELGESEN. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Georgia yield to the gentleman from North Dakota?

Mr. HARDWICK. Yes.

Mr. HELGESEN. As to the prices which the gentleman gave as German prices, the Germans will not sell without a profit, will they?

Mr. HARDWICK. No.

Mr. HELGESEN. Therefore the price of sugar landed in New York from Germany must include a profit to the manufacturer?

Mr. HARDWICK. Yes; you can rely on the figures I have given because they are the export prices in Hamburg.

Mr. HELGESEN. If they are export prices, they must be the cost plus their profit?

Mr. HARDWICK. Yes; but even after meeting the transportation charge they will have half a cent profit.

Mr. HOWELL. I did not understand it was so.

Mr. HARDWICK. You will find it so when you examine the record.

Mr. GOOD. Mr. Chairman, will the gentleman yield for a question?

The CHAIRMAN. Will the gentleman from Georgia yield to the gentleman from Iowa?

Mr. HARDWICK. Is the question right on this point?

Mr. GOOD. No; on the point the gentleman was just leaving.

Mr. HARDWICK. All right.

Mr. GOOD. I do not understand from the report whether the average cost that the committee found in Germany was 2.41. I thought the average cost was 3.24 cents per pound. I would like to ask whether that included the interest on the capital and the depreciation?

Mr. HARDWICK. I think it does in both cases.

Mr. HAUGEN. Mr. Chairman, will the gentleman yield?

Mr. HARDWICK. I do.

Mr. HAUGEN. The gentleman has given this subject a great deal of investigation. I would like to ask him if he can inform the House as to the number of tons of sugar beets required to make a ton of sugar?

Mr. HARDWICK. About 250 pounds of sugar, I believe, are made out of a ton of sugar beets.

Mr. HAUGEN. Can the gentleman give me information as to what the cost is of manufacturing a ton of sugar, outside of the sugar beet?

Mr. HARDWICK. Yes; I will attempt to do that later, if I have the time.

Mr. MONDELL. I have just come in. Will the gentleman show how the beet sugar of the West could bear competition with the cane sugar of foreign countries?

Mr. HARDWICK. I can not let the gentlemen take all of my time. I think I have covered that. I am sure the gentleman will not think me discourteous when I say I have not the time to yield to him further.

Mr. MONDELL. Will the gentleman show how beet sugar can compete with cane sugar produced abroad at a cost of 1½ cents a pound?

Mr. HARDWICK. I regret that I am unable to go into that question further just at this juncture. I am sorry the gentleman did not hear all of my argument.

Now, Mr. Chairman, I am coming next to the cane-sugar situation. In the first place, let us inquire what amount of money is invested in that industry in Louisiana. The interest in Texas is relatively small and need not be considered, as the total investment in Texas does not materially increase the size of the investment in cane sugar in the South. Mr. John Dymond, one of the most intelligent of the sugar planters of Louisiana, stated before the special committee that he estimated the total investment in Louisiana, "directly and indirectly," to be from \$150,000,000 to \$175,000,000. We have, however, much more recent and an even more authoritative estimate as to the nature, extent, and details of this investment. In the body of the resolution adopted by certain citizens and representative sugar planters of Louisiana and New Orleans at a public meeting held in New Orleans, La., on February 12, 1912, the following statement was made:

There is invested in this great agricultural industry in Louisiana alone, to say nothing of the other 17 or more sugar-producing States, in lands, with buildings and field improvements, \$70,000,000; in factories, \$35,000,000; in mules, \$10,000,000; in implements, \$2,000,000; in plantation railroad equipment, \$2,000,000; making a total of \$119,000,000.

It will be observed that neither the \$70,000,000 in lands nor the \$10,000,000 in mules can be fairly charged up as an investment in the sugar industry, for the reason that the land can be used for other and doubtless equally as profitable crops, and the mules can be used in cotton or in other fields as well as in the sugar fields. Taking these two items, amounting to \$80,000,000, from the total of \$119,000,000 given by the Louisiana planters, it will be seen that the total investment in the industry in Louisiana is not placed at more than \$39,000,000, even by the people who are engaged in the industry. The sugar planters of Louisiana, who appear to be most intelligent and courteous gentlemen, appointed a committee to appear before the special committee of the House and to make a statement in behalf of the sugar industry of Louisiana. These gentlemen fixed the cost of producing a pound of 96-degree cane sugar in Louisiana at 3½ cents per pound. To-day the island of Java makes it at 1½ cents a pound, Cuba at 1½ cents per pound, and the greatest sugar experts in the world contend that the Philippines can do better even than Cuba or Java with sufficient capital and modern machinery. The world figure of the cost of producing a pound of 96-degree cane sugar has already reached 1½ cents per pound, and it is gradually, if not rapidly, approaching 1 cent per pound. Yet we are asked, in the name of a great southern industry, to keep this tariff up so that we may produce in Louisiana about

\$29,000,000 worth of sugar a year that can not be produced there for less than 3½ cents per pound, and in order to do so to force the people of the United States to pay the difference—fully \$150,000,000 a year—in the cost of sugar.

I love my friends from Louisiana. I have the greatest respect for them. I love Louisiana and glory in its history. I would not willingly lay—though some of my Louisiana friends may think otherwise—a hard hand upon one of their industries unless my conscience and sense of public duty compelled me to do so; but, gentlemen, the time will never come when I will vote to protect a hothoused industry, whether that industry is in Georgia or Louisiana. [Applause on the Democratic side.] It is not right, and it costs the people too much.

Mr. HOWELL. Mr. Chairman, does the gentleman yield?

Mr. HARDWICK. Yes.

Mr. HOWELL. The gentleman has given a great deal of consideration to the sugar question. I want to ask him in this connection if he believes beet sugar can be produced in competition with the figures which he has named for cane sugar?

Mr. HARDWICK. No.

Mr. HOWELL. One cent a pound?

Mr. HARDWICK. No. I will tell the gentleman right now that I believe beet sugar is hothoused all over the world. The industry does not live anywhere on earth, either on this continent or in Europe, except where it is protected by high tariff laws that unduly and unfairly burden the consumers of those countries.

Mr. HOWELL. Does the gentleman believe the beet-sugar industry is a benefit to this country?

Mr. HARDWICK. I believe a reduction of the price of sugar will be a benefit to the men, women, and children who eat it. I believe that it will be beneficial to the whole country. [Applause on the Democratic side.]

Mr. HOWELL. Is there a civilized nation on the face of the globe where beet sugar is produced that does not offer it some encouragement?

Mr. HARDWICK. If every civilized nation on earth does wrong, that is no reason why we should follow them. [Applause on the Democratic side.]

Mr. MANN. Will the gentleman yield for a question?

Mr. HARDWICK. I yield to the gentleman from Illinois.

Mr. MANN. In the judgment of the gentleman, if all the nations which now foster the beet-sugar industry should cease to do so, and the world should become dependent upon the cane-sugar industry, would those countries that now produce cane sugar at a low rate be able to produce a sufficient amount of sugar for the world's consumption at the low price?

Mr. HARDWICK. The best experts on earth say that in the Philippine Islands alone enough sugar can be produced to supply the wants of the civilized world, and at the lowest cost in the world. They can make it now at 1½ cents per pound, and, finally, I believe, at 1 cent a pound. It is my judgment that we should not stay out of a lunatic asylum if we continue to pay 4 cents for making it over here.

Mr. MANN. If that be the case, does the gentleman believe that this country should aid the Philippines financially so as to develop the industry there, in order that the world may have cheap sugar, as the gentleman desires?

Mr. HARDWICK. In the confusion I did not hear the conclusion of the gentleman's question.

Mr. MANN. If the Philippine Islands can produce sufficient sugar for the world, provided they are given financial aid, does the gentleman believe that we ought to furnish that financial aid, so that the world may enjoy the benefit of cheap sugar produced in the Philippine Islands?

Mr. HARDWICK. We have been doing a great deal for them already, and under the policy inaugurated by the gentleman's own party I suppose it will be difficult to get rid of them. As they have already been such a source of burden, I would have no objection to deriving some benefit from them, and we will get that benefit, in my judgment, without any governmental aid whatever, as soon as the capital of the world begins to understand the splendid advantages in the Philippine Islands for the production of sugar.

Mr. FITZGERALD. In the establishment of the Philippine Agricultural Bank we did provide the means for financing these operations.

Mr. MANN. But they have not been financed.

Mr. FITZGERALD. That is because they did not find it a good proposition.

Mr. HARDWICK. The gentleman from New York [Mr. FITZGERALD] of course does not mean "that sugar in the Philippines is not a good proposition." But, Mr. Chairman, following still the line suggested by the gentleman from Illinois [Mr. MANN], I invite the attention of the committee to the fact that besides the Philippines the United States has other and exceed-

ingly rich sugar storehouses among her insular possessions where cane sugar can be produced at an exceedingly low cost. I refer to Hawaii, which imported into the United States about 500,000 tons in the year 1911, and to Porto Rico, which gave us about 300,000 tons in the same year. Besides these two islands, we have lying at our very door, connected with us by the closest ties, geographical, strategic, sentimental, and political, the island of Cuba, long termed by the Spaniards "the sugar bowl of the world." With sufficient capital, sound and progressive business methods, with the latest and most improved machinery, and with stable conditions, it is probable that Cuba alone can produce all the sugar we consume, and produce it at a cost of between 1 cent and 1½ cents per pound.

The next question to which I wish to invite the attention of the committee is the question as to what extent the removal of the duty on sugar will affect its price to the consumer.

At the outset of my discussion of this question I wish to invite attention to the remarkable attitude in which the opponents of this bill put themselves. In one breath they assert that the removal of duty from sugar will ruin the producer by lowering the price of his product, and in the next breath they assert that the removal of the duty will not lower the price of sugar to the consumer. If not, what harm can it do them and why do they oppose the bill?

I next invite your attention to the table of sugar prices that is printed on page 6 of the report by the Ways and Means Committee on this bill.

Comparison of export price of sugar at Hamburg and wholesale price of same at New York, 1900 to 1911.
[Cents per pound.]

Year.	Raw sugar.			Granulated sugar.		
	Export price Hamburg.	Wholesale price New York.	Difference between export price at Hamburg and wholesale price at New York.	Export price Hamburg.	Wholesale price New York.	Difference between export price at Hamburg and wholesale price at New York.
1900.....	2.24	4.56	2.32	2.64	5.32	2.68
1901.....	1.88	4.04	2.16	2.29	5.05	2.76
1902.....	1.43	3.54	2.11	1.79	4.45	2.66
1903.....	1.81	3.72	1.91	2.11	4.63	2.52
1904.....	2.14	3.97	1.83	2.55	4.77	2.22
1905.....	2.55	4.27	1.72	3.00	5.25	2.25
1906.....	1.87	3.68	1.81	2.31	4.51	2.20
1907.....	2.05	3.75	1.70	2.40	4.65	2.25
1908.....	2.29	4.07	1.78	2.63	4.95	2.32
1909.....	2.35	4.00	1.65	2.78	4.76	1.98
1910.....	2.74	4.18	1.44	3.22	4.97	1.75
1911.....	2.82	4.45	1.63	3.20	5.34	2.14
Average.....	2.18	4.02	1.84	2.58	4.89	2.32

The figures contained in the above report can not be questioned. They are taken from the statements, before the special committee, of Mr. E. F. Adkins, vice president of the American Sugar Refining Co., and of Mr. Truman G. Palmer, secretary of an association of American beet-sugar factories. The figures presented by these gentlemen are from authoritative and unquestioned sources—the records of the standard trades journals of the sugar industry. They show that during the 12 years for which the figures are given the average difference between the export price of raw sugar at Hamburg and the New York wholesale price of raw sugar averaged 1.84 cents per pound, whereas the tariff on raw sugar was 1.685 cents per pound, and the insurance and freight from Hamburg to New York 1.2 cents per pound, a total of 1.805 cents per pound. They also show that during this same period of years the average difference between the export price of granulated sugar at Hamburg and the wholesale price of granulated sugar at New York was 2.32 cents per pound, whereas the tariff during three-fourths of this period was 1.95 cents per pound—and during the last three years 1.90 cents per pound—and the cost of insurance and freight from Hamburg to New York 0.12 cent per pound, to which should be added 0.18 cent per pound for difference in grade, making a total of 2.25 cents per pound. In other words, the table demonstrates conclusively that during the 12 years that it covers the American consumer paid every penny of the duty on sugar and could have bought his sugar almost 2 cents per pound cheaper but for the existence of the tariff tax. Let me call your attention to another specific proof that the consumer pays every penny of this tax and that the removal of the tax will cheapen the price of sugar by the amount of the tax. When the sugar schedule of the McKinley bill went into operation, on April 1, 1891, the effect of the removal of the duty

on sugar was made instantaneously apparent. Granulated was quoted in New York on March 26, 1891, at 6½ cents per pound, and on April 2, 1891, the day after the tariff change went into effect, it fell from 6½ to 4½ cents per pound, and by May 14, 1891, it had fallen to 4½ cents per pound.

In this connection I invite your attention to the tables furnished the special committee by Mr. Wallace P. Willett, of the firm of Willett & Gray, the greatest sugar statistician in America, and one of the very greatest in the world. Mr. Willett furnished the special committee with a number of tables in proof of his statement to the committee that every one of our tariff changes in sugar have been followed by a corresponding change in the price of sugar to the American consumer. He contended that, other conditions being equal, such as crop conditions and the world-wide law of supply and demand, that any increase in duty necessarily increased the price of sugar to the consumer by the amount of such increase, and any decrease in duty, with the same qualification, necessarily decreased the price of sugar to the consumer. These tables will be found on pages 3548 to 3552 of the hearings before the special committee, and they show some very interesting facts. For instance, Mr. Willett states that, comparing the three years and three months preceding free sugar—January 1, 1888, to April 1, 1891—with the three years and five months of free sugar—April 1, 1891, to August 1, 1894—the consumer paid 2.512 cents per pound less for his sugar in the last period of time, when there was no duty, than in the first period, when there was a duty of 2.24 cents per pound.

Next Mr. Willett shows, in Table No. 4, on page 3548 of the hearings before the special committee, that the effect of the imposition of the 40 per cent ad valorem duty on sugar carried in the Wilson bill, which he says was equivalent to a duty of 0.979 cent per pound, was to raise the price of refined sugar 0.834 cent per pound, and that the effect of the Dingley law of 1897, which still further increased the Wilson duty by 0.824 cent per pound, was to increase the price of sugar to the consumer 0.586 cent per pound, and he accounts for the fact that the price did not increase to the full extent of the increase in duty, in these periods, by stating that it did not so include "because of the lower range of prices for raws, owing to over-production of supplies." Of course, Mr. Chairman, the committee will understand that as to sugar, and as to all other commodities, prices are affected by causes that are entirely independent of changes in the tariff. For instance, in September, 1911, our price of sugar advanced about 2 cents per pound because of a reported, though possibly somewhat exaggerated, report of more than a million tons shortage in the German beet crop, and this advance occurred without any tariff change whatever, but the point is that whatever change is made in the price because of crop conditions, and in obedience to the law of supply and demand, we pay the tariff tax just the same, whether the crop is short and price rises or whether the crop is long and the price falls. In other words, while sugar went up 2 cents a pound in September last, entirely independent of the tariff, yet even then we would have gotten our sugar at 2 cents a pound cheaper than we did get it if it had not been for the duty on sugar.

After analyzing the changes in our tariff laws on sugar to which I have just referred, Mr. Willett summed up the situation in the following striking and significant statement:

The chairman remarked (p. 3072, at bottom of page), "and the less will be the worth of the sugar lost in refining." All the analyses of changing from duty to free sugar show that whenever duty is taken off the cost of refining decreases and when duty is added the cost of refining increases, but these analyses also show that whenever duty is taken off the consumer gets the full benefit of the amount of duty taken off and also a part of the lower cost of refining.

Mr. Henry C. Mott, buyer of raw sugar for the American Sugar Refining Co., testified (Hearings, pp. 2451, 2452) that the amount of duty is always charged to the consumer.

Mr. C. A. Spreckels, president of the Federal Sugar Refining Co., testified (Hearings, pp. 2245, 2246) that to place sugar on the free list would reduce the price of sugar to the consumer—by the amount of the duty, approximately 2 cents a pound.

Mr. Edwin F. Adkins, vice president of the American Sugar Refining Co., testified (Hearings, p. 142) that if we reduce the tariff on sugar the effect would be to reduce the price of refined sugar—

practically by the amount of the reduction, always subject to the fluctuations of supply and demand for raw sugar.

Mr. Frank C. Lowry, when asked the question (Hearings, p. 1721) as to whether or not the removal of the duty on sugar would guarantee to the consumer the full benefit of such removal, replied:

Exactly, because then there would be no combination of dealers in this country, because they would have to compete with the dealers in other countries, and you can not get the dealers in the entire world into a combination.

Mr. Henry T. Oxnard, of the American Beet-Sugar Refining Co., testified (Hearings, p. 406) that by admitting Hawaiian and Philippine sugar free the advantage was given to the Hawaiians and Filipinos rather than to anyone in the United States, because the sugar people in Hawaii and the Philippines had simply "increased their price just the amount of duty removed," and following that statement he had a very interesting colloquy with the distinguished gentleman from Michigan [Mr. FORDNEY], who preceded me in this debate, to which I wish to invite special attention:

Mr. FORDNEY. Would not Europe do that to-day if we were to take the duty off of European sugar, and Cuba?

Mr. OXNARD. They would to a certain extent; but they could not, because they would be competing against the world.

Mr. FORDNEY. Suppose the duty was removed to the whole world. Suppose we removed the duty on all imported sugar from all countries of the world; would they not take advantage of it?

Mr. OXNARD. They would compete with the other countries.

So, Mr. Chairman, it seems to me to be both demonstrated by history and proven by the testimony, without conflict or dispute, that the removal of duty will reduce the price of sugar by the amount of the duty, and we present this bill to the American people, to the overburdened American consumer, with the confident hope that we have demonstrated the contention and that the enactment of the bill into law will reduce the price of every pound of sugar consumed in this country to the extent of about 2 cents.

Mr. Chairman, the remarkable contention is made on this floor by men who ought to know better, and who could know better if they took the trouble to inform themselves and to read the testimony taken before the special committee, that the American Sugar Refining Co., commonly known as the Sugar Trust, favors free sugar. The fact is precisely otherwise. It is true that the Federal Sugar Refining Co. and Arbuckle Bros., the former of which is the most active and independent competitor of the trust, favor free sugar, but it is not true that the American Sugar Refining Co. also favors free sugar. On page 144 of the Hearings Mr. Edwin F. Adkins, vice president of the American Sugar Refining Co., expressed himself as in favor of the moderate reduction of the tariff and as opposed to an abolition of duties.

Mr. Washington B. Thomas, president of the American Sugar Refining Co., stated (Hearings, pp. 2036-2037) that some of the directors of the trust favor a reduction of the duties on sugar, others opposed any reduction, while none of them favored free sugar.

It will be remembered also that when the Payne-Aldrich tariff bill was enacted the American Sugar Refining Co. sent to the Ways and Means Committee of the House of Representatives a statement signed by its secretary, Charles H. Heike, earnestly protesting against any reduction in the duty on sugar, and that is absolutely the last and official position that the trust has taken in reference to this matter.

In testifying before the special committee, Mr. Charles H. Heike called attention to the fact that he was "speaking as a private citizen throughout and not as an officer of the American Sugar Refining Co."; that he had had no connection with the company since July, 1910. Mr. Heike frankly stated that his personal opinion as a citizen was in favor of free sugar, making the following statement on that subject:

Mr. HEIKE. Each country should produce that which it can produce best. The beet-sugar industry can only sustain itself on a tariff of nearly 100 per cent, and we should have no industry that can not stand on its own feet. A high tariff will do that. I remember a very clever Congressman who remarked once that we might have orange groves in New Hampshire if the duty was only high enough.

It must be remembered that this is the same man who favored a retention of every cent of duty so long as he was connected with the Sugar Trust, and filed the company's statement before the Ways and Means Committee in 1909, urging the retention of duty on sugar. Nor can it be forgotten that the famous architect of the Sugar Trust, Henry O. Havemeyer, told the Industrial Commission, years ago, that the "Tariff is the mother of trusts." In view of the record, in view of what the whole truth is, is it not simply remarkable that our Republican friends stand here to-day shedding crocodile tears over a wholly imaginary partnership between the Sugar Trust and the Democratic Party?

It seems to me that the only partnership there is is between the Sugar Trust and the Republican Party.

Mr. HINDS. Will the gentleman yield?

Mr. HARDWICK. Certainly.

Mr. HINDS. The gentleman spoke of this side of the Chamber being in partnership with the Sugar Trust. In our colloquy a few moments ago one specific instance was brought up where it is true—that is, I suppose it is true; there are circumstances to indicate it—that a contribution to the Democratic Party was returned. I did not wish at that time to go further

because I wished to refresh my memory by consultation with my colleague, Mr. MALBY, who went over those books with me. There is another instance where that account shows that in the same campaign the Sugar Trust contributed both to the Democratic and the Republican campaign funds.

Mr. HARDWICK. To what campaign does the gentleman refer?

Mr. HINDS. I would ask the gentleman from New York [Mr. MALBY] to answer that.

Mr. HARDWICK. I regret I have not the time to go more fully into this matter. I did not see the books the gentleman refers to. I took the gentleman's statement about them. I understood the gentleman to say, as I still understand the gentleman to admit, that the check sent to the Democratic committee was returned. I will say, in justice to the gentleman and his party, as I should have said during the previous colloquy between us, that had it been in any way involved in the precise question then at issue that I do recall that Mr. John E. Parsons, counsel for the Sugar Trust, did state that at various times the Sugar Trust had made political contributions to the several parties, but my recollection of Mr. Parsons's statement was that he had limited it, so far as the Democratic Party was concerned, to contributions made to Tammany Hall at various times; but in reference to the check sent to the national committees of the two parties in the campaign of 1904, there is no doubt that the check sent to the Democratic committee was returned. Not only that, I think the gentleman will find that, if he will refresh his memory, the check was never deposited in the bank and was not indorsed, but merely had a hole in it where it appeared to have been stuck on the file of some gentleman's desk; that when those in charge of the committee and responsible heard of the matter the check was returned to the Sugar Trust.

Mr. MALBY. Mr. Chairman, will the gentleman yield for a moment there?

Mr. HARDWICK. I have not the time.

Mr. MALBY. I happen to have seen the check.

Mr. HARDWICK. The gentleman has already addressed the committee and can no doubt get further time in order to make any statement that he desires about the check or he can put any statement that he likes about it in the RECORD. My time is so limited that I can not take up more of it with this matter.

Mr. MANN. Will the gentleman yield?

Mr. HARDWICK. I regret that I have not the time to yield again.

Mr. MANN. I was not going to ask the gentleman a question, but was going to ask unanimous consent that the gentleman who was the chairman of a special committee, which cost considerable money, might have a little more time so that he would not be pressed at this time.

Mr. HARDWICK. I would be glad to yield to everybody if I had the time.

Mr. MANN. Mr. Chairman, I ask unanimous consent that the gentleman from Georgia may have 20 minutes after the expiration of his hour.

Mr. HARDWICK. Mr. Chairman, I hope the gentleman will not press the request. I do not want to ask for it. I thank the gentleman, of course, for his courtesy.

Mr. MANN. It cost a good deal of money to get the gentleman's information, and I think we ought to have it.

Mr. RANDELL of Louisiana. Mr. Chairman, the Louisiana people would like to ask a few questions if we could get some time.

Mr. MANN. Mr. Chairman, I made the request and I desire that the Chair put it.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that the time of the gentleman from Georgia be extended 20 minutes. Is there objection?

Mr. UNDERWOOD. Mr. Chairman, reserving the right to object, I understood the gentleman from Georgia to say that he did not care to have his time extended.

Mr. HARDWICK. That is true.

Mr. UNDERWOOD. Then I object.

The CHAIRMAN. Objection is heard.

Mr. HARDWICK. Mr. Chairman, before I proceed to a discussion of another branch of this question, I wish to insert in the record, as a matter of simple justice to him, a letter from a gentleman who has been previously assailed in this debate by opponents of this bill, and who has been severely criticized all over the country by the beneficiaries of the sugar tax. It seems to me that these gentlemen think that it is perfectly proper for any gentleman to favor a retention of duties for the "protection" of the industry in which he is interested and conduct as active and as aggressive a propaganda to save his "protection" as he may desire, but that it is hardly short

of a crime for anybody who speaks for the millions of American consumers and urges a reduction of tariff burdens to conduct a propaganda in support of that view. The gentleman to whom I refer has, in my judgment, done a great work for the people of the country by his aggressive and forceful advocacy of the removal of the duty on sugar, and while he has necessarily earned the ill will of the protected interest, because of his aggressive fight, he is undoubtedly entitled to the gratitude and the good will of every American consumer who has a grocery bill to pay. I refer to Mr. Frank C. Lowry, of New York, sales agent for the Federal Sugar Refining Co., and secretary of the Committee of Wholesale Grocers, and I invite the attention of the committee to the letter from him, which follows:

NEW YORK, March 13, 1912.

Hon. THOMAS W. HARDWICK,
Chairman Special Committee on Investigation of
The American Sugar Refining Co., and others,
House of Representatives, Washington, D. C.

MY DEAR SIR: Those opposed to any reduction in the tariff on sugar have endeavored to besmirch the standing of the Committee of Wholesale Grocers, of which I have served as secretary, because I am also in charge of the sales department of the Federal Sugar Refining Co., an independent refinery. There has at no time been any mystery as to who I was or where I stood on this important matter. Certainly I was very glad to have the opportunity to state it clearly to your committee when I appeared before them last July. The Wholesale Grocers' Committee was formed in 1909 for the purpose, as stated on our letterheads, of "obtaining cheaper sugar for consumers through reduction of duties on raw and refined sugars." I believed in the principle advocated was instrumental in forming this committee, and have served as its secretary, without any remuneration, direct or indirect, because the other members desired it. My name, and that of the other members of the committee, has appeared on all our stationery. We have been particularly careful about this, so that all might know exactly who was behind the movement. Had there been any desire on my part, or that of the other members of the committee, to conceal the fact that I was interested in this work, this would not have been done.

With the exception of myself, all our members are actively engaged in the wholesale grocery business. They are: Carl Schuster, Koenig & Schuster, New York City; W. H. Baker, Baker & Co., Winchester, Va.; B. F. Persons, Patson & Scoville Co., Evansville, Ind.; H. C. Beggs, Dilworth Bros. & Co., Pittsburgh, Pa.; R. E. Collins, Collins & Co., Birmingham, Ala.; A. S. Hammond, Monypenny Hammond Co., Columbus, Ohio; G. Thalheimer, Syracuse, N. Y.; Henry Baden, Henry Baden & Co., Independence, Kans.; F. J. Dessoir, R. C. Williams & Co., New York City; H. T. Gates, E. W. Gates & Co., Richmond, Va.; W. E. Small, the A. B. Small Co., Macon, Ga.; E. L. Woodward, E. L. Woodward & Co., Norfolk, Va.; A. Blanton, A. Blanton Grocery Co., Marion, N. C.; Jacob Zinsmeister, J. Zinsmeister & Bro., Louisville, Ky.; A. Brinkley, A. Brinkley & Co., Norfolk, Va.; R. E. Bentley, Bentley, Shriver & Co., Baltimore, Md.; John E. Talmadge, Jr., Talmadge Bros. & Co., Athens, Ga.; Isaac Horner, Henry Horner & Co., Chicago, Ill.; Edward Cumpson, T. & E. Cumpson, Buffalo, N. Y.; E. P. McKinney, McKinney & Co., Binghamton, N. Y.; H. Y. McCord, McCord-Stuart Co., Atlanta, Ga.; A. S. Webster, Webster Grocery Co., Danville, Ill.

These gentlemen are from 14 different States, and the firms represented have a total rating of nearly \$8,000,000.

In the work we have been doing we have had the cooperation of a great many wholesale and retail grocery houses that are not members of the committee, but who would be glad to become members of it were it desirable to have the number increased. Furthermore, I am firmly convinced that 90 per cent of the wholesale grocery trade of the country is in sympathy with our efforts. The National Wholesale Grocers' Association, as an organization, has not taken any action regarding the tariff on sugar, for the reason, as they have repeatedly stated, "As an organization we do not deal with political questions of any kind." They leave matters of this kind to be dealt with separately by the various local organizations and individual members, and the petitions now filed with the Ways and Means Committee show how thoroughly this has been done. I might mention, however, that the National Canners' Association, with a membership of over 3,000 firms, does not feel this way about it, but passed resolutions favoring a lower duty on sugar, and have instructed the chairman of their committee on legislation, Mr. Bert N. Fernald, to use his best efforts to bring about such a reduction. The National Bottlers' Protective Association have acted in a similar way, the only difference being that their resolution calls for "free sugar."

Previous to the time this committee was formed, in 1909, the general public knew little regarding the details of the sugar tariff, and all our efforts have been along the lines of publishing the facts, feeling satisfied that if the people were informed what the tax was and its effect they would demand and receive the relief from the excessive rate to which they are clearly entitled. As a result of our efforts thousands of petitions asking for a reduction in the tariff on sugar have been sent to Congressmen signed by individuals, firms, corporations, granges, civic associations, etc. Through these the signers have spoken for themselves and others who are in sympathy with the movement. These are the people who will hold their Congressman responsible for what he does or does not do to secure a lower tax rate on sugar.

To distribute this information, besides requiring effort on the part of this committee, required funds, and the Federal Sugar Refining Co. has helped us financially. Investigation by your committee disclosed that the Federal Sugar Refining Co. was absolutely independent, having no affiliation, directly or indirectly, with the Sugar Trust. Consequently their interest in the lower duties is identical with that of the consumer. A lower tariff rate will reduce the price of sugar, resulting in an increased consumption, so that a larger business can be done at a reduced expense.

The American Sugar Refining Co. is clearly on record as desiring no change in the present tariff, as reference to the Payne-Aldrich tariff hearings of 1909, pages 3430-3440, will disclose a letter and a brief filed by them, urging that the present tariff rate be maintained. Thus the line is clearly established with consumers, manufacturers, dealers, and independent refiners desiring lower duties, and opposed to this is the Sugar Trust and their allies, the domestic sugar producers.

As this committee think it should be clearly stated exactly who we are and also that the work we have done has been because we believe in the principles advocated, and for no other reason, we would appreciate if you can arrange to have this printed in the RECORD.

Very respectfully, yours,

FRANK C. LOWRY, Secretary.

Mr. Chairman, I next wish to invite the attention of the committee to the enormous expense to which the consumers of the United States have been put in order to make an unsuccessful attempt to produce our own sugar in this country, and the enormous burden we have placed upon American consumption in order to support and protect a relatively unimportant industry.

Granulated sugar is to-day quoted at wholesale in New York at 5.90 cents per pound. Mr. Palmer, secretary of the Beet Sugar Association, has shown from the figures for a number of years that the retail price in the United States has averaged 0.88 cent per pound above the New York wholesale price. This would make the present average retail price in the United States 6.78 cents per pound, or \$151.87 per long ton. The consumption of the United States for 1912, as estimated by Willett & Gray, is three and a half million long tons. Multiply \$151.87 by three and a half million tons and you have the enormous sum of \$531,545,000 as the Nation's sugar bill for the year 1912, if the present high price of sugar is maintained. Multiply the consumption of three and a half million tons by the duty of \$42.76 per ton (1.90 cents per pound) and you have \$149,660,000—the saving that this bill would make to the American consumer in the year 1912 alone.

Again, to look at it from another angle, from 1897 to 1911, inclusive, the total consumption of refined sugar in the United States was 39,770,423 long tons. The duty of 1.90 cents per pound, or \$42.76 per ton, has been added during all these years to the price of every pound of sugar we have consumed, whether it was produced at home, in our insular possessions, or in any foreign land. This represents an addition of more than \$1,700,000,000 to the sugar bill of the country within the last 15 years, since the passage of the Dingley bill. It is even a few millions over that, because in all those years, except the last two, the duty has been 1.95 cents per pound instead of 1.90. Against this stupendous addition to the Nation's sugar bill, contrast the relatively small amounts invested in the industry in the United States, about \$60,000,000 in beet sugar and about \$39,000,000 in cane, less than \$100,000,000 in both. So that, to weigh the burden for the last 15 years only, in order to protect an industry in which about \$99,000,000 is invested, we have added 17 times as much as the total investment in that industry to the sugar bill of the country.

No wonder that this once appalled even our Republican friends of the protection faith and order, so that in 1890 the Republican Party proposed to pension off the sugar producers with a bounty. No wonder that the Democrats of the country are no longer willing to stand it and to-day repudiate the whole thing, bounty and all. Highly as we respect our friends from Louisiana and Colorado, much as we love them, we find their sugar industry entirely too costly an investment for the people of the country.

Upon this subject let me quote from two eminent authorities:

Mr. William Bayard Cutting, one of the first in this country to engage in the production of beet sugar, stated "That the beet-sugar industry is profitable under conditions of absolutely free trade, and that the United States, being an agricultural country, the industry has nothing to fear even from the annexation of Cuba."

Prof. F. W. Taussig, Henry Lee professor of economics at Harvard University, in the February, 1912, issue of the Quarterly Journal of Economics, says, regarding the beet-sugar industry: "If protection to young industries was needed, it has been given. The initial stages of trial and unfamiliarity are certainly passed. The industry in the far West has certainly passed the infant stage. Its difficulties in the farming region proper seem to be due to the competition of the other kinds of agriculture, which under the typical American conditions are more profitable. If this kind of agriculture needs protection, and if the familiar grain growing, cattle fattening, and dairying of the corn-wheat belt do not, the explanation is still to be found in the principle of comparative cost."

Mr. Chairman, just a word in reference to the contention advanced by my friend from Michigan [Mr. FORDNEY] that the removal of the duty on sugar will be in violation of the reciprocal trade agreement of 1903 with the Republic of Cuba. I deny absolutely the soundness of that contention. Neither the Fifty-eighth Congress nor the then President of the United States had the power, or assumed to exercise the power, to make an agreement with the Republic of Cuba that future Congresses would continue to levy a duty on sugar. The agreement was simply to the effect that as long as we levy a duty on sugar Cuba should have a 20 per cent reduction on the same. As I have already shown, of this 20 per cent Cuban sugar planters get but one-fourth anyway, and it seems to me that the larger and better market that this country will afford them under

free sugar will more than compensate for the slight advantage that Cuban reciprocity has conferred upon them.

Mr. Chairman, in concluding my remarks, I wish to say that the proposition that the Democratic Party presents to-day is neither new nor novel in this body. In the last Democratic House that ever sat in this Chamber before the present one the Wilson bill left that door, on its way across this Capitol, with free sugar written in it. It was in the Senate of the United States that the will of the people was defeated and the American consumer denied the relief to which he was so justly entitled.

Mr. WARBURTON. Mr. Chairman, did not all the Republicans vote for that?

Mr. HARDWICK. Not in 1894. They voted against it then, but I want to read you some arguments that were delivered on this floor and elsewhere for free sugar in 1890, and one or two in more recent years. I read first from the speech of William McKinley, delivered on this floor on May 20, 1890, when that distinguished gentleman presented the McKinley bill.

I would have preferred, Mr. Chairman, if the article of sugar could have been left in the tariff schedule upon the dutiable list. This, however, was not practicable in the presence of an almost universal sentiment in favor of the removal of the entire duties upon this article of universal family use.

I want to read you from the speech of the Hon. Nelson Dingley, of Maine, delivered on this floor on May 10, 1890:

The duty collected on sugar and molasses the last fiscal year was \$55,975 610, or nearly 2 cents per pound. Adding to this the increased cost of 275,000,000 pounds of sugar produced in this country, equivalent to the duty of 2 cents per pound, and the duty imposed on these articles was practically a tax of \$63,500,000, or \$1 per head, on the people of this country.

Inasmuch as there is scarcely another article of common use not now on the free list which can not be promptly produced or made here nearly or substantially to the extent of our wants, the transfer of sugar and molasses to the free list will afford conspicuous relief to the people of this country.

I next read you from a speech of the distinguished gentleman who has had a long and illustrious career in this House, and who still sits in this Chamber on the Republican side. I refer to the Hon. JOSEPH G. CANNON, of Illinois, who on May 20, 1890, said:

Mr. Chairman, the placing of sugar on the free list will relieve each inhabitant, rich and poor, of \$1 per annum of tax, and at least 50 cents of extortion levied by the sugar refiners.

The gentleman from California asks, Why give a bounty to the producers of sugar in the United States? Well, I answer my friend, I am not anxious to give a bounty if you do not want it. My principal anxiety is to place sugar on the free list and relieve the people from this great burden of taxation.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. HARDWICK. With pleasure.

Mr. CANNON. I have no time. I presume I shall have none; but I want to say to the gentleman—

Mr. HARDWICK. I will ask the gentleman to please ask his question.

Mr. CANNON. I will put it in the form of a question.

Mr. HARDWICK. I have only two or three minutes.

Mr. CANNON. I shall ask to have the gentleman's time extended.

Mr. HARDWICK. But that will not be allowed.

Mr. CANNON. Oh, I think they will allow it. That was a condition when we were getting over \$100,000,000 of surplus. The gentleman does not state that.

Now, the whole truth is the whole truth. We passed a law giving 2 cents bounty—

Mr. HARDWICK. You said you did not care anything about that at all.

Mr. CANNON. And every Democrat, substantially, except Louisiana Democrats, if I recollect, voted against free sugar.

Mr. HARDWICK. We have gotten better and you have gotten worse, then. That is all there is to it.

Now, Mr. Chairman, I will call your attention again to the remarks of a gentleman, once a distinguished Member of another body, made in this Capitol on June 8, 1904. He said:

If I had my way I would strike from this bill every vestige which provides a duty on sugar.

The gentleman who uttered that Democratic sentiment was the late distinguished Senator from Iowa, Mr. Allison. This same Republican Senator also stated, on July 11, 1897, "whatever duty we place on sugar must, in the very nature of things, be added to the price."

Another distinguished gentleman, long a leader in another legislative body, said in this Capitol on June 5, 1894:

They have signalized that friendship to-day by joining their Democratic allies in forcing upon the people of the United States this unjustifiable, indefensible, and infamous sugar tax. I said this tax was infamous and if I could employ any stronger word than that I should be glad to do so.

The gentleman who uttered that sentiment was Senator Nelson W. Aldrich, of Rhode Island.

And yet Republicans say to-day that this bill presents a radical proposition and denounce the Democratic Party for attempting to destroy a great industry. These gentlemen are forgetful now, as always, of the great masses of the people, of the American consumer, and assert that the American consumer is not entitled to this relief, although the cost of living mounts higher and higher under Republican rule.

Mr. Chairman, it is my deliberate judgment that the one great reason why we have this Democratic House is because the American people are determined to reduce the cost of living so far as same can be reduced through tariff legislation, and I firmly believe that in presenting this bill for free sugar the Democratic Party is responsive to the will of the vast majority of American people and plants itself on impregnable ground when it asserts that it is unwilling to continue this burdensome tax on one of the great food necessities of life. [Loud applause.]

Mr. DALZELL. Mr. Chairman, I yield 55 minutes to the gentleman from Maine [Mr. HINDS]. [Applause.]

Mr. HINDS. Mr. Chairman, under ordinary circumstances I would not take part in this debate on a subject which belongs so exclusively to the Ways and Means Committee, but this House honored me last summer with a place on the committee for investigating the American Sugar Refining Co., and I feel under obligations to lay before the Members such conclusions as I may have reached in the course of that inquiry and such facts as may be pertinent to this discussion.

The Ways and Means Committee have not given to us any testimony or any conclusions based on any investigation of their own. But the conclusions which they have given are based on the investigation made by our committee. Now, to the candor, industry, and fairness of the gentleman from Georgia [Mr. HARDWICK], who presided over the investigation then undertaken, and of the Members associated with him, I pay every tribute of respect. But, in spite of that, the fact still remains that our committee was not instructed or expected to examine the question of the tariff on sugar, and such examination as was made by it on that subject was wholly incidental, imperfect, and inadequate. Perhaps the most striking proof of that fact is that our deductions as to the cost of the beet sugar in Germany and in the United States, showing over a cent difference in the cost of production, are antagonized by the distinguished chairman of the Ways and Means Committee, who gives reasonings of his own to indicate that the difference can not be of such harmful extent as those figures would indicate.

TARIFF BOARD INQUIRY NEEDED.

There is only one inquiry adequate to a subject so vast as this, and that would have to be made either by an examination longer than any committee of this House would be able to give or by an examination by a tariff board unencumbered by the general legislative duties resting upon members of committees here [applause], an examination that could be conducted with business thoroughness into the books of the companies and into the cost of production. That alone can give us the definite information needed for a subject so vast as this.

Do gentlemen realize how extensive this subject is and what a wide range it covers? The labor question alone concerns the toil of brown men under the suns of Java, of black men in the canebrakes of Louisiana, of white farmers in Michigan and Utah, of light-haired Norsemen who till the beet fields of Sweden on the extreme northern frontier of the Temperate Zone. Any determination of what may be done by this country must go into that great question of labor.

THE EUROPEAN SYNDICATE.

Any determination of what must be done by this country must also go into the question of the control of sugar production in Europe. Sugar on the Continent of Europe is not produced under the laws of trade as we understand them as to other commodities, and as we understand them as to sugar on this continent. There exists a great international syndicate which presides over the sugar industry as a board of directors might preside over a corporation, with a minuteness that often goes to the control of the supply of sugar that may come upon the European market. That great international combination grew up not on the initiative of the protectionist countries of the Continent, but on the suggestion of the one great free-trade nation of the world—England. It grew up at her suggestion, and is maintained with her concurrence, because the conditions of the sugar market are so abnormal that even she could not stand, with all her free-trade ideas, the cheapness of the sugar that was forced on her until it disarranged her industrial system.

Go beyond the syndicated nations of the Continent of Europe, and you come to Russia, which is outside the circle of the Brussels conference. We have made no investigation of the capacity of Russia or what she may do. And yet this bill before us to-day, by repealing, or, perhaps, a better word would be avoiding, the countervailing duty established in section 7 of the existing tariff law, as it certainly seems to do, opens our market to the bounty-fed sugar of Europe, which is exported to countries that will receive it with a premium paid to the exporter. We have not investigated that subject.

But the effect of bounty-fed sugar is notoriously so disastrous that no great civilized country is allowing it in its markets except in limited amounts, and even free-trade England is included in the list. Yet by this bill we would turn the bounty-fed sugar of Russia and Argentina onto the markets of the United States, in competition with the cane growers of Louisiana and the beet-sugar producers of the West.

PRICE OF SUGAR WOULD BE INCREASED.

We are opposed to this bill to-day; first, because there has been no adequate examination of a question so important; and, secondly, because we believe the facts of the situation show indisputably that the effects of the bill will not be to reduce the price of sugar to the consumer for any great length of time, but to increase it. We are opposed to it not only because it will increase the price to the consumer ultimately, but because it will prostrate the domestic sugar industry of Continental United States and the industries of those dependencies which within a few years have been united to us, Porto Rico, the Philippines, and Hawaii, and will disorder the finances and economic condition of that young Nation of which we are the guardian—Cuba.

THOSE WHO ADVISE CHANGES OF DUTIES.

I have said that our inquiry was not intended to cover the tariff question and from this point of view was inadequate. Many people came before us, but they represented the "interests" almost entirely. The managers of the great company called the trust, the other refiners of cane sugar, the manufacturers of beet sugar, the owners of cane plantations in Louisiana and Cuba, the farmers who raise beets in the West, all came and stated the case from their point of view. I do not think they intended to misrepresent, but no one could expect of them absolute fairness of perspective. The "ultimate" consumer did not come. He is too busy with his daily vocation to study so complex a problem. He seemed to have arrived one day when a gentleman appeared who drew a golden picture of the wealth coming to the consumer from the removal of the sugar duty. But we found, when we examined him under oath, that he was the agent of a great refinery, capitalized at \$10,000,000, and that the refinery was financing the literary portion of the movement in favor of this bill. Out of all these conflicting conditions it is very difficult to reach a conclusion as to the real interests of the absent consumer.

A GREAT INDUSTRIAL CONTEST.

While the inquiry made by our investigating committee was entirely inadequate as to the tariff question, it did show certain great basic conditions which we must take into account. It seems that the first and most important of those basic conditions is that there is existing at this time a great contest between two branches of the sugar industry, the cane refiners of the seaboard and the beet-sugar producers of the interior. When I speak of the cane refiners of the seaboard I am speaking almost entirely of the great American Sugar Refining Co., which is called the "trust." With it are a few rivals, who, to use an expression given by a witness before our committee, go along "under the umbrella" of the "trust" in the matter of prices to the consumer. This is probably true as to most, if not all, of the independent refiners.

Now, I have stated that there is that condition of antagonism between those two great branches of our sugar industry. I think it is abundantly proved by our testimony. For instance, on page 1158 of the testimony, Mr. Gilmore, representing the sugar refiner Arbuckle, said of the beet-sugar industry that its product came as far east as Massachusetts, and, to use his own words, "did a lot of damage" in the market.

That testimony proves that there is a real competition in the sugar business, and that the cane refiners of the seaboard fear the rivalry of the western industry. Mr. Gilmore further said:

When they—that is, the sellers of beet sugar—come with hothouse protection and invade my territory, I do not like it.

Mr. Jamison, of the same firm, on page 1195, said:

If there was no duty, I do not think the beet would be so prosperous, and we would probably sell more sugar. It would enable us to run more constantly.

Mr. Jamison wished the duty entirely removed, but he was willing to say that he thought it ought to be removed by degrees. Against the reasonings of the gentleman from Georgia

[Mr. HARDWICK] that the removal of this duty will not tend to kill out the beet-sugar industry in the West, I cite the opinion of this practical business man, daily engaged in the selling of sugar, who knows thoroughly what competition is and what it does.

Mr. Atkins, of Boston, the vice president of the American Sugar Refining Co., on pages 144, 145, and 173 of our hearings, favored a reduction of the duty, and said that his company could get along under free sugar, inasmuch as the advantage from the present differential on refined sugar was of so little advantage to the refiner that it was not worth discussing.

Mr. Thomas, on page 2033 of the testimony, shows that a cane refinery that has no interest in the beet-sugar industry is in favor of reducing the duty, and in so far as the American Sugar Refining Co. was engaged in the cane-refining business—and that is by far the greater part of its business—it was undoubtedly interested in the reduction of the tariff. I call the attention of gentlemen—

Mr. STERLING. Mr. Chairman, will the gentleman yield?

Mr. HINDS. Yes.

Mr. STERLING. Who is Mr. Thomas?

Mr. HINDS. He is one of the directors of the American Sugar Refining Co. He is a director and possibly an officer otherwise.

I will call the attention of gentlemen here to the fact that the American Sugar Refining Co. holds about \$15,000,000 of the stock of the western beet-sugar companies. I will also call attention to the fact that this property was acquired under the old domination of the company by militant monopolists. The men who waged that campaign to control the beet-sugar industry have passed out of its management and no others of similar purposes appear to succeed them. So far as I have been able to discover from the testimony—and I think the testimony of Mr. Atkins bears out this idea—they are anxious to get rid of that entangling property as fast as they can.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Maine yield to the gentleman from Kansas?

Mr. HINDS. Certainly.

Mr. MURDOCK. I would like to ask the gentleman what per cent of the total is \$15,000,000? What per cent of the whole sugar-beet capitalization is that \$15,000,000?

Mr. HINDS. The \$15,000,000 represents the book value, the face value of the stock is considerably larger. I think it is something like thirty-odd millions. That thirty-odd million, as I understand it, would represent less than a half of the capitalization of the total beet-sugar industry.

Mr. MADDEN. The total capitalization is over \$100,000,000, is it not?

Mr. HINDS. I believe it is so stated.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman permit me to state it in this way—

Mr. HINDS. Yes.

Mr. MARTIN of Colorado. I understand that the showing of the trustized condition, so called, of the beet-sugar industry, is arrived at from a consideration of the fact that the Sugar Trust owns 41 per cent of the stock in those companies, which produced 54 per cent of the product.

Mr. HINDS. I think that is a fair statement.

Mr. MARTIN of Colorado. So that, as a matter of fact, the Sugar Trust owns only 20 per cent of the entire sugar product. I may say, further, that my congressional district contains eight beet-sugar factories, and the Sugar Trust never owned a dollar in any one of them or had any connection with them whatever.

Mr. HINDS. Undoubtedly the proportion of the beet-sugar factories outside of the dominion of the trust is large—over one-half—and is growing all the time, because the trust is disposing of its beet-sugar property as fast as it can, apparently.

Mr. FORDNEY. It should not be understood that the amount of stock that the American Sugar Refining Co. holds in the subsidiary companies is more than one-half of the stock of those companies. It is not so. They do not own one-half of the stock of any company, with the single exception of one concern.

Mr. HINDS. Is not the gentleman informed of the fact that that has been disposed of since the Government suit came on?

Mr. FORDNEY. I do not know. I knew the situation before that.

Mr. HINDS. The United States Government is prosecuting the American Sugar Refining Co. under the Sherman antitrust law, and the ownership of stock in the beet-sugar factories is one of the conditions on which a conviction would be likely to be based. They can not dispose of all that property at once. They will have to dispose of it by degrees, and I think the testimony of Mr. Atkins indicates that that is the purpose of his company.

The two industries are naturally antagonistic. On any scheme of economical production the beet-sugar industry should not be connected with the cane-refining industry. They are naturally opposed. On the Continent of Europe the beet-sugar industry has entirely driven out the cane-refining industry, and there is a probability that if the cane refiners of this country do not receive some such advantage as is contemplated in this bill they will find a constant and growing competition with the beet-sugar industry. Of course such competition, if not carried to destructive extremes, is of advantage to the consumer.

Mr. J. M. C. SMITH. Mr. Chairman, will the gentleman yield for a question?

Mr. HINDS. Surely.

Mr. J. M. C. SMITH. The gentleman is on the Sugar Investigating Committee, is he not?

Mr. HINDS. I was.

Mr. J. M. C. SMITH. Will the gentleman please give us his reason for the rise in the price of sugar last year, if he is able to say?

Mr. HINDS. I will get to that presently.

THE HOUSE SHOULD CONSIDER THE CONSUMER.

Now, it is not the business of this House to become the champion or the partisan of either of those two branches of industry. I do not quite agree with the sentence in the report of the majority of the Committee on Ways and Means which states that the cane refiners are to receive a superior or a more important consideration than any other branch of this industry. We should not shape our legislation for the purpose of favoring one or the other or even for the purpose of umpiring the contest between them. We should look at but one thing, and that is what legislation by us, what imposition of conditions by us, will result in the long run in enabling the American consumer to get his sugar at the least expenditure—I am not going to say expenditure in dollars and cents, but I am going back to that older currency of humanity, that currency which is the only real test of value, the effort put out by the man who acquires the commodity by his labor. There are a great multitude of consumers to be considered. But we must not consider them entirely as consumers. It is essential for us to consider nearly every consumer—and in the case of the great mass of consumers it is so—as a producer also, and on his ability to get a fair return on what he produces depends his ability to become a consumer. [Applause on the Republican side.]

That is the key to the whole question before us. What does an American care if in the Empire of China he can be shaved for a cent and a half, get his hair cut for two cents, and his shoulders rubbed and queue braided free in addition? [Laughter and applause.] It amounts to nothing to a man on the soil of America. The question here in all these things is, What is the relation of the price to the money that you have in your pocket and your opportunities for replenishing the pocket? It seems to me that that question is at the foundation of this discussion.

SUGAR REALLY CHEAPER IN AMERICA THAN ELSEWHERE.

The sugar cost in this country is not the expense that cries most loudly for attention. Anyone who cares to examine this question for himself can readily see, from page 18 of the report made by the sugar investigating committee (H. Rept. No. 331, 2d sess. 62d Cong.), that the American people get refined sugar at wholesale—and the wholesale price is the real test in tariff matters—cheaper in terms of money than the people of any other great nation except England. [Applause on the Republican side.] I will insert as a part of my remarks the table given in the report of the sugar investigating committee, giving the wholesale prices of sugar in the five great nations and showing that England's price is 4.1 cents, approximately, and our price is 4.97 cents wholesale. I give the wholesale prices, because it is not fair in a tariff discussion to bring in the local and peculiar conditions that affect retail prices:

Year 1910, average quotations, net cash, in cents per pound.

WHOLESALE REFINED, TAX PAID.	
England	4.101
Germany	5.150
Austria	7.298
France	6.450
United States	4.972

In the year 1910, the last available year, the American got his sugar for an average price of about nine-tenths of a cent more than the English consumer paid. Now, gentlemen will say, why should not the American have the cheapest sugar? I contend that he does have the cheapest sugar on earth when all conditions are taken into account. In proving to you that the American enjoys the cheapest sugar on earth, I want to call your attention to a very interesting document (S. Doc. No. 38, 62d Cong., 1st sess.), containing a report put out by the Brit-

ish Board of Trade. They made an investigation of conditions in this country and in England. It was part of a wide series of investigations, undertaken to determine the economic condition of England with reference to competitor nations, and that investigation carries in every line of it evidence of its truthfulness. It shows that the average family of a laboring man in America uses 5½ pounds of sugar a week. You will have glowing pictures painted to you of the total saving to the American people on the sugar we consume. I submit to this House that the only true criterion is the amount of sugar consumed directly in the average family. This 5½ pounds of sugar a week is almost the same amount used by the English family. The figures are based on actual inquiries conducted in many cities. As a statement of the sugar situation as related to the family it is far more reliable than deductions made from dividing the total sugar production with the population of the Nation. Much sugar is used in manufacturing, in tobacco, soda water, candy, canned milk, and so forth; but in the problem of saving to the ultimate consumer it is not necessary to consider the sugar used in manufactures, unless we believe that the tobacco man, the soda-water man, and the candy man will pass along to the family the almost infinitesimal percentage which he may save on the plug of tobacco or the pound of candy.

Taking, then, 5½ pounds of sugar, the weekly portion of an American family, how much does that sugar cost in the world's oldest and truest currency, the labor of the father of the family? The British Board of Trade has compared many kinds of American labor with many kinds of English labor. I believe it is the best and most impartial comparison we have. On pages 13 and 16 of the Senate document to which I have referred there is a comparison of wages and hours of labor. I will take the wages of the hod carrier as fairly illustrative of the difference between the two countries, because the hod carrier applies natural labor and not machine-aided labor. This comparison shows that the English hod carrier can earn the week's supply of sugar for his family by working 108 minutes, if he can buy at the wholesale prices cited by the Sugar Investigating Committee, and the American hod carrier can earn the week's sugar for his family, buying also at wholesale prices, in 45 minutes. [Applause on the Republican side.] That is, the week's sugar costs the American laborer 45 minutes and costs the English laborer 108 minutes. [Applause.] I have given wholesale prices because in a discussion it is not fair to charge to the tariff the profit that the retailer may take.

Based on retail prices in the two countries, as found in the board of trade investigation and at a different period of time, the Englishman works 102 minutes for his sugar, the American 53 minutes.

I have examined carefully, and I believe the difference between the incomes of hod carriers in this country and England is fairly expressive of the general difference in incomes, not only as to laborers, but as to professional men, clerks, and other employees in general. Where the Englishman earns a dollar the American earns \$2.30.

A PENNY-WISE POLICY NOT DESIRABLE.

To take the duty off raw sugar is not to save the consumer in price in the long run.

Mr. OLMSTED. If it will not interrupt the gentleman, I should like to ask him one question. Perhaps he can answer it. That is, whether the price of sugar is cheaper or dearer in this country to-day than it was during the short period when we had no tariff whatever on sugar?

Mr. HINDS. I am coming to that in a moment. Bearing continually in mind that our main object should be to give to the consumer, the man with a family, the maximum sugar with the minimum of labor cost, we must not in our legislation here adopt a penurious and pound-foolish policy. I am going to admit that theoretically gentlemen can show that this bill ought to save the consumers a cent or a cent and a third on a pound of sugar, but the whole history of sugar prices for the last 40 years negatives the idea that this theoretical saving will be an actual saving. The ultimate consumer is not concerned directly with the prices of raw sugar abroad, with differentials, or with parities. What concerns him is the concrete fact of the price of sugar at the store where he buys it. As we can not know the varying retail prices, our best guide in consulting the consumer's interest is the wholesale price of refined sugar, and the wholesale price of sugar in the last 40 years shows with a conclusiveness not to be denied by any fair man that something beside the tariff makes sugar cheap or dear to the consumer.

On page 44 of the testimony taken by the sugar investigating committee are given the average wholesale prices for each year from 1870 until 1909. What does this show?

That from 1870 to 1882, and there was no change in the tariff for those years, the price dropped from 13½ cents a pound to 9½ cents. Something besides the tariff affected the price of sugar in those years.

In 1883 the tariff was reduced by about half a cent a pound, and in the next seven years on this basis sugar oscillated between 7.8 cents a pound and 6.2 cents a pound, entirely negating the idea that the tariff was a primary factor in the price, because the oscillation of the sugar was several times the change of tariff.

In 1890, from a tariff of 2.24 per pound, sugar became free, with a bounty of 2 cents a pound to encourage domestic production. Now, the effect of bounties has always been to reduce the price of sugar below a fair market price, and it is not surprising that the taking off of the duty and the adding of the bounty, too, should have made a substantial reduction in the price of sugar in 1890. I do not attempt to deny that a part of that was due to the taking off of the tariff, because I do not deny that such would be the immediate effect on the price of sugar. It is on the long run, of two, three, or four years, that I am arguing here. The advocates of this bill will not fail to point out that for the three years of free sugar the wholesale price was lowered, and that is true; but it is a curious fact that, when in 1894 an ad valorem duty of nearly a cent a pound was put on, the consumer for the next three years got sugar even cheaper than he got it under free sugar with a bounty. Evidently then something besides the tariff interests the consumer of sugar.

The gentleman from Georgia [Mr. HARDWICK] has quoted Mr. Dingley, of Maine, as speaking in 1890 in favor of free sugar. He did undoubtedly, if the gentleman so quotes him, but I have no doubt that Mr. Dingley in 1897 remembered the effect of putting on the 1 cent ad valorem duty in 1894, and that may explain why, when he made the bill for which he was responsible, he did not give free sugar, but put on a tariff of nearly one cent and three-quarters.

Mr. STERLING. Mr. Chairman, will the gentleman yield?

Mr. HINDS. Certainly.

Mr. STERLING. Has the gentleman any figures to show what effect the change in the tariff of 1890, the taking off of the duty and adding the bounty—

Mr. HINDS. I just said that the price of sugar fell at that time.

Mr. STERLING. That is not the question—then adding 1 cent a pound in 1894; will the gentleman state what effect it had on the American production of sugar?

Mr. HINDS. I do not remember the effect on the American production of sugar. I did not examine that in that connection. Something happened, because sugar was cheaper.

In 1897 the Dingley law raised the duty on sugar to about 1½ cents a pound, yet for the six years of the full Dingley tariff the wholesale price of sugar ranged only a fifth of a cent a pound over the average of the free-sugar years. Some great force other than the tariff was evidently working on the price of sugar.

In 1903 a 20 per cent reduction in Dingley rates was made on sugars from Cuba, yet in the next six years the price to the consumer was slightly higher than for the six years before the duty was reduced. Some condition other than tariff rates must have been operating on the price of sugar.

In 1909 the Payne tariff law, without changing the raw-sugar duty, reduced slightly the tariff on refined sugar, but last September the wholesale price of refined sugar in New York soared to 7½ cents a pound, a price far above the average of any year for the last 20 years. Evidently something besides the tariff made that rise in price to the consumer.

THE SUGAR SUPPLY THE GREAT FACTOR.

That mysterious something that neutralized the tariff increase of 1894, that sent sugar prices skyward last September without any change of the duties, can be but one thing—the supply of sugar.

The supply, not the particular tariff rate, is the great thing to the consumer. And the real and important rises and falls in the price of sugar are brought about by the supply. Last September it was believed in Europe that the drought in the beet fields would cause a shortage of a million tons of sugar. That shortage sent sugar beyond the price levels of the last 20 years. The crushing out of the beet industry of the West and the cane industry of Louisiana would make a shortage of nearly a million tons, and this shortage would be a more vital thing to the consumer than any slight increase because of a tariff.

Of course, it is possible to demonstrate on a narrow view of any given time that the taking off of 1½ cents of duty on a pound would make an immediate saving to the consumer.

It would be possible to demonstrate to the owner of any orchard in the Nation that he could cheapen the price of his apples for any given year by stopping his expenditure for the chemicals that fertilize the trees. He might do it for a series of years. But there is not an orchardist in the world who would not drive out the mathematician who should propose such a course of action, destructive of future supplies.

Our tariff on sugar preserves our domestic supply of sugar and nearly 1,000,000 tons from our beet fields and Louisiana is of vastly more benefit to the consumer than a theoretical saving by a free-trade arrangement.

OUR OWN SUPPLY A CAUSE OF LOW PRICES.

If gentlemen will examine for a moment this question of supply they can not fail to see where the true interests of the consumer lie. We use in the United States in a year three and one-third million tons of sugar. Our supply for this year comes chiefly from the following sources (Testimony, p. 3585), and is estimated:

	Tons.
American beet sugar	540,000
Louisiana cane sugar	300,000
Texas cane sugar	8,000
Porto Rico cane sugar	350,000
Hawaii cane sugar	500,000
Cuba cane sugar	1,800,000
Philippines cane sugar	200,000
Total	3,698,000

All this sugar is raised here or comes free into the United States except that from Cuba, which pays 1½ cents a pound duty where other outside countries pay 1½ cents.

Thus, with the encouragement which we have given to our domestic industry and to Cuba we will produce our supply within our own circle. We go abroad for very little sugar, so little that there is an internal competition which forces the Cuban planters to give to our consumers the tariff concession which they would be glad to keep for themselves.

We have taken Porto Rico and Hawaii into our national family. We have raised the standard of their labor and living, and they in turn have become great purchasers in our markets. Now, we are proposing to turn them over to the free competition of Java, where a man gets 25 cents a day and a woman 12 cents. If we paralyze those islands, take away from Cuba the preferential she now enjoys, at the same time extinguishing the Louisiana and domestic-beet industry, where are we to turn for sugar?

WHAT THE WORLD'S MARKET FOR SUGAR IS.

Why, we will turn to that great and indefinite refuge of antique economic theories, the world's market. On that we will depend.

What is that world's market? It is a great international combination of which we are not a part, and which is controlled by a committee in which we have no membership. When sugar soared skyward last September that committee might have remedied the price by letting more sugar into the world's market, but it did not do it then, although it has since taken action. As we within our own circle did not quite supply ourselves, we had to come nearly to their high prices. We were saved from going entirely to their prices by our beet production. (Testimony, p. 3581-3585.)

This branch of the subject is important enough for me to read to you from the testimony before our committee of the sugar expert who has been so often quoted in this debate, Mr. Willett, of New York. He said that to a great extent the sugar trade of the world is not free and open and clear, and is subject to bounties and restrictions and conditions. He gives this advice:

I say increase the Cuban, Porto Rican, Hawaiian, Philippine, and domestic cane-sugar industry to a point above all requirements for consumption, up to 500,000 tons, so that if Cuba should give out some year and not produce much sugar we would still have enough for our consumption. Then we would be independent of the world and we would make our own price. That price will depend upon the competition between the different interests, between Cuba, Porto Rico, Hawaii, and the domestic beet and cane industry. They will be all working to get our market and the consumer, then, will get the advantage.

THE MODERN SUPPLY AND ITS EFFECT ON PRICES.

What makes sugar so cheap in the world to-day is the great modern supply of sugar. In the earliest times sugar cane was the source of the world's sugar supply, and that cane supply was subject to all the conditions of the hectic, fitful civilizations of tropical and oriental islands. In Europe sugar was, until the beginning of the eighteenth century, a costly luxury and a medicine. In 1319 the Lord Chamberlain of Scotland paid about 40 cents a pound for sugar. In the middle of the eighteenth century Peter Faneuil, the great Boston merchant, was paying about the same price. If we had waited for those tropical islands to supply us with all of our sugar we would

to-day be paying a price for sugar that would make the price paid by the Lord Chamberlain of Scotland six or eight centuries ago seem like a bargain-counter sacrifice. [Laughter.]

In 1840, near the middle of the nineteenth century, the world used but 1,150,000 tons of sugar, hardly more than a third of what the United States uses now in a year. It was nearly all cane sugar, but beet sugar was then just coming forward in Germany and France. The gentleman from Georgia [Mr. HARDWICK] has argued to-day that because our domestic industry has been coming up so slowly, therefore, it is of no account, and should be disregarded. Is he aware how long it has taken to develop the beet-sugar industry, started in the time of Napoleon? Even before 1840 it was doing little or nothing in Germany. What developed it to its present position was not entirely its status as a sugar-producing process. It was the fact that the agriculturists of Germany, in their wise plan to make agriculture as profitable as possible, in order that they might stop the drift to the cities, hit upon the beet-sugar industry as one of the greatest features of their agricultural system; and I believe—and I think the facts will bear me out—that the progress that the United States has made in the production of beet sugar has not been so much due to the American demand for sugar here as to the fact that our Agricultural Department for a series of years conducted a campaign of education to introduce that industry, not for the sugar we would get, but for the advantage it would be to our agriculture. [Applause on Republican side.] Beet-sugar production is so used in every one of those countries on the Continent of Europe that are endeavoring to preserve the normal balance of their civilization. The great question to-day which is troubling European countries and which does not trouble us, because our rapid pioneer growth has obscured our vision as to what is going on, is the great drift of the people from the country to the cities. One of the most interesting studies in contemporaneous statesmanship to-day is the effort that the nations of Europe have made to stop that. As one instance, the little nation of Denmark, which has had the greatest success, has a law that any land once peasant land shall never be sold into large allotments. Denmark to-day has a less proportion of her people in the cities than any other nation. Interesting as that subject is, however, I shall not further digress.

In 1840 beet sugar was coming into use in France and Germany. In the 30 years following 1840 the world supply of sugar had trebled, and nearly half of this increased amount was beet sugar. To-day, after 40 years more, a little over half the world's supply is beet sugar. Its development has been most rapid. In 1900 the cane fields of the world were producing a little over three times as much sugar as they had been producing in 1840, or 60 years before; but the beet fields, with nearly 6,000,000 tons that year, were producing over a hundred times as much sugar as they produced in 1840. In the last 10 years the cane growers have awakened from their lethargy, and the production of both cane and beet sugar has marched ahead with surprising swiftness, until to-day it amounts for each kind to over 8,000,000 tons a year, giving the world a total production of almost 17,000,000 tons.

It is this great supply that makes sugar so cheap in these modern times. Without the beet sugar, which supplies the whole Continent of Europe and two-thirds of England's consumption, the price of cane sugar would rise to a point undreamed of by any person in this generation. In the United States the consumption of sugar doubles in 20 years, and yet, with this growing demand staring us in the face, this bill proposes to strike down our portion of the beet-sugar industry, and the report of the majority of the Ways and Means Committee tells us demurely that the business of cane refining is the first thing to be considered. In 1900 we produced 75,000 tons of beet sugar in the United States. This year we produced 540,000 tons.

SMALL INCREASE OF SUGAR PRICES.

What is the necessity of moving at once upon the sugar tariff as a means of reducing the cost of living, when there is so much to show us that we shall increase it, that the supply of sugar and not the tariff rate is what counts? I want to call your attention to a recent comparison made by a great financial journal of England as to the rise of prices in the eight years preceding 1910, a phenomenal and world-wide rise in prices, due in large measure probably to the increased production of gold under the stimulus of the new cyanide process, a process which last year resulted in trebling the amount of gold produced in a year if we compare last year with 20 years ago. That index of prices shows that in the last 8 years in this country sugar has risen only 8 per cent in price. Beef has risen 31 per cent in price; wheat, 38 per cent in price; potatoes, 38 per cent; butter, 41 per cent; pork, 74 per cent; corn, 77 per cent; and oats,

86 per cent. I will say that those rises in prices of commodities have gone on not only in this country, but in England and in her free-trade market. They have not oscillated so violently, because her standard is lower in prices for everything, but the same distinction between sugar and other commodities is shown in the markets of England. I want to call attention now to the fact that sugar, which has held its own level better than any other commodity, is, at the same time, the commodity which is produced and marketed under conditions that are further removed from the *laissez faire*, or free-trade policy, than the conditions surrounding the production of any other commodity of similar nature.

CHEAP SUGAR NOT A PRODUCT OF FREE TRADE.

No other commodity is so surrounded by tariffs and restrictions as is sugar. Even free-trade England puts a tariff duty on it. On the Continent of Europe sugar is watched over and guarded by all the devices criticized by the *laissez faire* school and condemned by the platforms and historic policy of the Democratic Party. And yet in the world-wide and troublesome rise of prices in the eight years preceding 1910 sugar in this market only went up 8 per cent, while other similar commodities went up from 31 to 74 per cent. There can be only one thing to account for it—that there is a better and more constant supply of sugar in the world than of the other commodities.

Now, I have assumed, as I have gone along, that this bill would destroy our cane and beet industry. I have told you that this bill avoids the countervailing clause of our tariff law. That would result—

The CHAIRMAN. The time of the gentleman has expired.

Mr. DALZELL. Mr. Chairman, I yield the remaining five minutes of my time to the gentleman from Maine.

Mr. HINDS. This bill will let in the bounty-fed sugar of Russia and Argentina. The sugar of Russia is not only bounty fed, but it is absolutely controlled by the autocratic Russian Government. They determine what sugar shall be produced, what prices it shall be sold for; they provide that a surplus shall be stored up; and they provide for the sending of that surplus to foreign markets. The Continent of Europe, free-trade England, Germany, and other countries, have not permitted more than 300,000 tons of Russian sugar to come upon their market. This year they have lengthened that out temporarily by 150,000 tons. This bill proposes to give to the Empire of Russia, if I construe its effects aright, a free and open market in the United States for all the sugar that may be produced by her partnership with the sugar factories and her control of the industry under her ancient despotism.

I believe that this, in conjunction with general free trade, would be sufficient in a few years to injure seriously the domestic sugar industry in the United States and seriously interfere with it in our colonial possessions. And I believe it because when bounty-fed sugar came into the general market of Europe it caused such destruction of the cane-sugar production of England's colonies that she—the one free-trade nation of Europe and not the protectionist nations—called a European council to stop the bounty-fed sugar from coming to their market. And yet what they can not stand we are proposing to turn against our growing and prosperous industry.

THE LABOR QUESTION.

Another reason why we should foster the beet-sugar industry is that it is a Temperate Zone industry with Temperate Zone labor. The industry of cane refining contemplates in one branch great tropical plantations tilled by many landless men working under tropical conditions for great proprietors, and in the other branch huge refineries on our seaboard largely controlled by a great trust. I have nothing against the cane refineries and would not injure them, but do insist that we should have a scientific inquiry by the Tariff Board before we do what they want. We should not so act as to benefit them at the expense of cutting out the domestic sugar production, of which the feature is less expensive, factories scattered in many places instead of in a few great cities, with the accompanying organization of many owners or tillers of small farms who work, live, and consume the products of other laborers after the manner of the Temperate Zone.

We should keep both branches of industry, but if we must choose between the plantations of Java and the farms of America, I would say, as the great poet of England said—

Better fifty years of Europe than a cycle of Cathay.

[Loud applause.]

Mr. Chairman, I ask unanimous consent to extend my remarks in the Record.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. RAINEY. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. CONNELL].

THE JOLLY TAXPAYER.

Mr. CONNELL. Mr. Chairman, I desire to introduce to the House an old and constant friend of mine, and indeed of all of us. Not only is he constant, but his patience is superb, until exhausted—whereupon he proceeded to do things which become especially and pointedly interesting to Congressmen and others in public life.

This jolly old friend of ours is ubiquitous in the political life of to-day in the United States, and, sir, when I heard a message read in this House yesterday from the President of the United States which convinced me that if the Chief Executive had ever met this particular old chap he failed to consult him on the subject of his message—the high cost of living, I was surprised, for the President could have learned much from him. But even the President shall not get by this friend of whom I speak, and whose familiar figure I could picture, had I the time, literally skipping up and down these aisles, kicking his heels in glee as he realized that something is to be done in the way of lifting from the shoulders of the millions burdens which they should never have been made to carry.

He may not be handsome, but the cares of life have multiplied for him so that there is reason for his homespun appearance. He may be less youthful than we should like to see him, but since he has grown old in carrying the weight and paying the expenses of a régime that coined his very blood and sweat that the coffers of the "malefactors of great wealth" might be filled to overflowing and that trusts might have the sinister power of corrupting government and fostering unrest by the gospel of greed, he may be pardoned his shoulder stoop and be tolerated even for the whisker which scoffing cartoonists so love to present with his pictures. This old friend of mine has kept enough of youth and agility to be jolly, and he always develops a special brand of jollity as he sets sail for public men who have deceived him and political parties that have robbed him in the name of prosperity. Behold him as he trudges over the hills to make himself felt in the election. See him as he makes his way to the grange meeting, or down the road to the village store, there to find out if possible why it always happened in late years that he received the smallest share of the value produced by his labor. See him gladly paying his share of the cost of great buildings in which his public servants may spend hours of comfort, while he saws wood, perhaps in some shed, through the cracks of which the snow scampers with chilling regularity. See him with his cattle, his horses, his harness, and his silo, never complaining of hard work, never stopping between sun and sun, and can you wonder that now that he has been awakened to the fact that he has been the victim for years of a system that promised him relief only to increase his burden, he is about to take a day off and do some political housecleaning, which for thoroughness and industry has never been equaled?

I said he was ubiquitous, this old friend of mine, because you meet him not only in the furrow and the meadow, but in the city street, the tenement block, and on the wharves by the seas and rivers. He spends his days in the sweatshop and his nights dreaming of better days to come. You find him in the factory, the ditch, the locomotive, and the airship. High up where men risk life, building for human comfort, and down where the miners toil and suffer and die, you will find him. Yes, you will meet this jolly friend taking from the clutch of the rocks the treasures which yield only to labor, and you will even find him in Congress in spirit, if not in person, especially through these days of promise and of dawning hope, and this is his day, for his name is "The Jolly Taxpayer."

And who has a better right to be here than he? Has he not made our country possible? Go back through the years and see him in the days of war, and behold how bravely he fought in the face of death, and where in history has the taxpayer of America been equaled in days of peace? That any party of political power should have been found in this land equal to deceiving this old friend of us all is more than passing strange. But, sir, he has discovered that he was being cheated. He saw his Representatives in Congress pass bills for his relief—the free list that would have lifted from his business the shackles of unnecessary taxation, the wool bill that would have made his clothing cheaper and maintained the Treasury at the same time, but he saw the bills vetoed in the interests of standpatters, which he has come to recognize as the epitome of all of his economic troubles. And now, sir, he stands at the door, he speaks on the corner, he is heard in the country, and his voice goes up from the metropolis, and everywhere he is saying, "Take every unnecessary burden from my table, make clothing cheaper, strike from my implements the taxes by which great trusts are strengthened, and woe betide the public man, the political party,

that shall attempt to strangle democracy in the household of its friends, as was once done before."

Mr. Chairman, I have introduced my old friend in this debate because men in public life may as well begin now to get used to the old fellow, for hereafter he intends to be around when things are being done. It may be that he will ask strange questions, and at times he may say some tart things, but, after all that he has suffered and all that he has paid for the suffering, which has been his in so many varieties, he has a right to be on hand when Congress is debating. It may also happen that the jolly taxpayer may not see the fine threads in some of the closely woven arguments in which defenders of special privilege deal, but you may trust him to see the point of a situation which came out to-day in this debate when the distinguished gentleman from Maine [Mr. HINDS] essayed to enlighten the distinguished gentleman from Alabama [Mr. UNDERWOOD] as to where could be found in the journal of the Sugar Trust how on the same day a check was given to the Republican national committee and a check to the Democratic committee, the statement purporting to show with what exquisite impartiality the Sugar Trust worked the political game. Especially would the jolly taxpayer have caught the point when, just at that juncture, the distinguished gentleman from Georgia [Mr. HARDWICK] reminded the gentleman from Maine that it would also be found that the check given to the Democratic committee by the Sugar Trust was sent back, while the check given to the Republican committee by the Sugar Trust was spent to carry the election.

It is such things as this that have aroused the old man who pays the shot and that have started him on the warpath for a reduction in the cost of living. No use trying to sidetrack him from that issue. He took up that trail when he swept the Payne-Aldrich Congress into political oblivion, and he is fully bent upon completing the reform by placing in the White House a President who will know and honor the command of the overburdened American public when he hears it.

There was a time when tariff champions appealed to the masses of Americans in prophecies of calamity. They are still at it, not realizing that their occupation, like that of Othello, is gone. For instance, did anybody ever fancy such disaster as a result of the will of the people as has been predicted by standpatters in this Congress. I have often heard the prophets of disaster in various parts of the country, but I did not dream that Congress was the place where all the horrors of destruction were instituted and developed. If half of what we have heard in this House of late be half true, I conjure up now visions of bats simply hovering and dodging around the sugar-beet chimneys of Colorado, and the white frost of blight just waiting to fall upon and freeze the business of Louisiana, just as soon as the Democratic majority here shall have done that for which the American people sent it here—relieve the tables of the land from being victimized in taxation for the support of special interests.

Believe me, Mr. Chairman, the taxpayer of America becomes more jolly day by day instead of being frightened by this everlasting cry of blue ruin, which men who ought to be equal to statesmanship and to the common interests of over 90,000,000 people have been reveling in.

I am not unmindful of the fact that there are members of this majority who live in sections that have grown used to having Government, with its special power, aid their industries; nor is the taxpayer unmindful of such a situation. He remembers how the Wilson bill emerged from the House, made as the people intended it should be made, only to be protectionized and therefore robbed of its power to help the masses. Never again can that operation be repeated, for special privilege, long and terrible as has been its reign, shall not longer be permitted to stand in the way of that kind of progress which means cheaper living and genuine revision of the tariff downward.

Then, what an awakening has there been on the part of the taxpayers in the matter of business. Time was when the cry of the party in power was destruction of business in case the electorate should venture to make a change in government; and we have heard some dreadful roaring of business disaster in this House as a consequence of legislation in the interests of the people, some gentlemen facetiously calling them the "peepill," when we have dared to mention those by whose commands we are here.

Make no mistake, gentlemen; the taxpayer is no longer a joke. He is a live wire in human business and governmental capacity. He does not want to injure business, nor will he permit any party to do harm to any legitimate business in the land. He does mean that the instrumentalities of a free government shall not be used in the nefarious art of taxing the many for the enrichment of the few. He does mean that no business, no matter how able to swell campaign funds, shall use its millions in the debauchery of the electorate, and that so

long as business shall keep its hand off government there will be no interference whatsoever with it, except it be to encourage it under the law and assure to it the fullest opportunities of the Republic. [Applause.]

As this is a bill to place sugar on the free list, I desire to incorporate in my remarks the closing argument of the Committee on Ways and Means on this bill:

TRUST SITUATION.

Probably no industry in this country has been more closely controlled by industrial combination than the manufacture and refining of sugar, and this condition exists to-day.

Much is said of "independent" sugar producers and of competition between refiners and cane producers, but little weight can be given to such statements. The House investigating committee, which made an elaborate inquiry into the competitive situation in sugar during the past year, gave special attention to the relations between beet and cane producers, and reached the conclusion (Report, p.16) that—

"To the 42.14 per cent of the production of sugar in the United States that the American Sugar Refining Co. admits is its own should be added, by any fair rule, 10 per cent, the National's production; 7 per cent, the production of the beet-sugar companies, in which the American is interested; and probably 3.25 per cent, the McCahan production. This makes a total of 20.25 per cent, which, added to the 42.14 per cent, makes a total of 62.39 per cent of the sugar manufacturing and refining industry of the United States which is either directly or indirectly controlled or influenced by the American, and we may add further that the evidence discloses that competitors not within the direct influence of the American are cautious about entering into active competition with it, and usually fix their prices in a comfortable vicinity to those of the American."

These findings fully explain how it was possible recently for sugar prices to the consumer to be so easily increased. In further discussing the trust feature the committee says:

"But the effect of combination among the refiners and manufacturers of raw sugar and the presence or absence of healthy competition is surely reflected in the variation of the margin between the prices of raw and refined sugar. During the nine years prior to the formation of the 'sugar refiners' combination the margin had averaged nearly \$1.10 per 100 pounds, but in the four years preceding the formation of that organization severe competition among the refineries had reduced it to an average of 79.6 per 100. In 1885 it was 71.2 cents and in 1886 it was 78.1 cents per 100 pounds. (Testimony of Mr. Atkins, Hearings, p. 125.) In 1887, prior to the formation of the 'trust', 76.8 cents; in 1888, when the Refiners' Trust had become well organized, it was \$1.25; in 1889 it was \$1.207. In 1890, because of the competition of Philadelphia independents (testimony of Atkins, Hearings, p. 126, and of Spreckels), it fell to 72 cents, rising to 82.8 cents in 1891 and to \$1.035 in 1892, after the Philadelphia independents were purchased by the American. In 1893 it was \$1.153; in 1894 it was 88 cents; 1895, 88.2 cents; in 1896, 90.8 cents; in 1897, 94.6 cents. The drop between 1893 and 1894 and the years immediately following can probably be accounted for because of the higher price of raw sugar during those years and the consequent greater value of the 5 per cent of waste in refining."

"In 1898 the refiner's margin fell rapidly to 73 cents and in 1899 to 50 cents, the effect of the sharp competition of Arbuckle. In 1900, when the Arbuckle 'war' was not quite so fierce, it rose to 75.4 cents. In 1901, when there was practical peace with Arbuckle, it rose to \$1.003. It was 91.3 cents in 1902, 91.8 in 1903, 79.8 in 1904, the probable effect of beet-sugar production, relatively slight, being shown particularly in the last year. In 1905, by which time the American had acquired a large interest in beet sugar, it rose to 97.8 cents; in 1908, 88.4 cents; 1909, 75.8 cents; in 1910 it was 78.4 cents; and in 1911 it was 89.2 cents. It is worthy of note in connection with the figures for the years 1904 to 1909, inclusive, during which the refiner's margin ranged lower, with the exception of the year 1905, than the years immediately preceding them, that the American was subjected to the active and progressive competition of independents."

"It is especially worthy of note that in 1889, when the refiner's margin was \$1.25, the Sugar Refineries Co. had a practical monopoly, controlling 75 per cent of the production. By 1903 it will be remembered that the American had secured control of nearly 90 per cent of the industry, and during that year the refiner's difference was the highest in the history of the industry since 1889, being \$1.153."

"The climax of the Arbuckle competition is reflected in the margin of 50 cents for the year 1899, the lowest in the history of the industry."

"The influence, both of the beet-sugar companies and of the Federal and of Warner's, is reflected in the somewhat lower margins prevailing since 1904, and including that year."

"That the price of refined sugar had been kept up in order to pay dividends on bounteously watered stocks is also evident when we come to consider overcapitalization."

"That the overcapitalization of these corporations and the payment of dividends on watered stocks, so that the same might acquire a market value, has necessitated excessive profits on the real capital invested, and has consequently occasioned higher prices for the product and heavier taxation of the consumer, can hardly be questioned by anyone who conscientiously investigates conditions in this great industry. To what extent this has increased the price of refined sugar to the consumer it is absolutely impossible to accurately estimate or exactly state, but that the increase for that reason is considerable can not be disputed."

"The contention of the American Sugar Refining Co. that because sugar costs the consumer less to-day than it did when that corporation was organized, therefore the existence and operation of the corporation has benefited rather than injured the consumer we regard as unsound. Such a contention entirely ignores most important considerations, such as improvement in the processes and reduction in the cost of refining and manufacturing during that period of time; the greater supply of raw material; improved methods of cultivating sugar cane and sugar beets; and a perfect host of conditions that are entirely independent of the existence of the American or any other sugar refining or manufacturing company."

"Besides, in the last 20 years the reduction in price has been worldwide, embracing in its scope all the countries of the earth, from the most enlightened to the most barbarous, and surely no American corporation can claim that it accomplished this result in countries where it has no business and where its very name is practically unknown. In the opinion of your committee, the reduction in the price of sugar in the last 20 years to the American consumer did not come because of the organization and operation of the American Sugar Refining Co."

Simultaneously with the increase in price of sugar to the consumer there has been a decided decrease in the price paid to the producer for the raw material. Louisiana cane growers have never received fair treatment from the sugar manufacturers. The well-organized condition of the industry, its rapid development, admitted profits, an environment permitting the increase of prices to the consumer and the payment of less to the producer for the raw material, are valid and effective reasons for the removal of the tariff protection, which aids in maintaining this undesirable condition.

REVENUE LOSS PROVIDED FOR.

The chief argument which has heretofore been made for the retention of the tariff on sugar is its importance as a revenue producer. The committee has given a great deal of time and consideration to this special feature of the sugar schedule. Their labor and effort has been to accede to the very general and persistent public demand for free sugar. The committee earnestly desires to assist the people in acquiring this important food product at reduced prices and so lighten the burdens of the present high cost of living. However, the committee has not been willing to recommend that sugar be exempted from import duty without suggesting another source of revenue which would make good the loss to the Treasury from the sugar schedule and at the same time more equitably distribute the tax burden without inflicting hardship at any point. After a very thorough investigation of the entire field of revenue possibilities the most practicable and just solution of the problem appeared to be to extend the operations of the corporation-tax law of 1909, and this the committee is doing by reporting simultaneously H. R. 21213, placing sugar on the free list, and H. R. 21214, extending the excise law to individuals and copartnerships. The law as applied to corporations brought to the Treasury \$33,511,525 in 1911, and by extending this measure to business conducted by individuals and copartnerships it is believed that the loss in revenue of the sugar schedule will be fully cared for. The very desirable end sought by this legislation is to remove the duty from an article necessary to the existence of every individual and in lieu of the revenue source thus surrendered to levy a very small tax against the business of individuals and copartnerships where the income of the year exceeds \$5,000. The recommendation is that the tax on a food product necessary to existence be shifted from those who now struggle with tax burdens on the necessities of life to the shoulders of those who through good fortune and comfortable means are amply able to assume a relatively insignificant tax. To illustrate the equitable adjustment of the excise tax recommended, a person having an income of less than \$5,000 per year would pay nothing, while a person whose business brings \$10,000 net would pay no tax on the first \$5,000 and on the second \$5,000 would pay only \$50 a year.

THE TARIFF AND THE CONSUMER.

It was clearly brought out by the special committee investigating the American Sugar Refining Co. and others that the full amount of the import tax on sugar is borne by the consumer. Mr. Claus Spreckels (Hearings, p. 2245) testified that the price of refined sugar to the American consumer is affected to the full extent of the duty. Further, in reply to the inquiry as to whether the exempting of sugar from duty would reduce the price by the amount of the duty, Mr. Spreckels replied, "By the amount of the duty."

Further confirmation of the fact that the full amount of the tariff tax on sugar is transferred to the consumer in the form of increased prices is found in the evidence of Mr. Wallace P. Willett, a recognized sugar statistical expert, before the special committee referred to, who says (Hearings, p. 3547): "Whenever duty is taken off the consumer gets the full benefit of the amount of duty taken off and also a part of the lower cost of refining."

The tariff tax amounts to about 1½ cents per pound on sugar. As this entire tax enters into the price of sugar to the consumer it is easy to estimate the consumer's burden because of tariff duties on sugar. The consumption of sugar in continental United States amounted in 1911 to about 7,663,000,000 pounds, and the application of 1½ cents per pound to this consumption affords an estimated saving to the American consumers from placing sugar on the free list of not less than \$115,000,000.

Mr. Chairman, the committee of wholesale grocers, formed to assist in obtaining cheaper sugar for consumers through reduction of duties on raw and refined sugars, of New York City, sends me the following, which I desire to incorporate in my remarks. The subject is the sugar tariff and the Sugar Trust:

The "free-sugar" bill, introduced into the House of Representatives by OSCAR W. UNDERWOOD, chairman of the Ways and Means Committee, brought forth the usual wall from the domestic sugar interests, who claim that "ruination" stares them in the face if this bill becomes a law. For the present tariff on sugar to be reduced 1 mill would bring forth the same outcry.

Hoping to confuse the issue, they endeavor to make the people believe that the Sugar Trust wants the rate of duty reduced so as to crush out their competitors, the beet-sugar producers. The sugar trade knows how ridiculous is this contention. The Sugar Trust is distinctly on record to the contrary. Reference to the Payne-Aldrich Tariff Hearings of 1909 discloses a letter and a brief (pp. 3430-3440) filed by the American Sugar Refining Co. urging that the present tariff rate be maintained. To insure this, they have worked mainly through their beet-sugar allies. The trust's interest in the matter is clear. The Hardwick investigating committee developed the Sugar Trust's control of the beet-sugar industry. (Hardwick Hearings, pp. 58, 100, 2884, and 2992.) This industry secures a heavy indirect bounty through our present high tariff on sugar, and the trust becoming fond of this Government "pup," which is being fed to its offspring, naturally desires it to be continued.

The beet-sugar lobbyist makes much of the fact that Mr. Atkins, vice president of the American Sugar Refining Co., when on the stand before the Hardwick investigating committee, stated that he was in favor of lower duties on sugar. He also distinctly stated that he spoke as an individual. Mr. Atkins, before he became connected with the American Sugar Refining Co., after the death of Mr. H. O. Havemeyer, had for years been working for lower duties on sugar, and he could not very well reverse himself after he became connected with the trust.

The few independent cane-sugar refiners have declared themselves in favor of lower duties. Their interest is identical with that of the consumer. A lower tariff rate would reduce the price of sugar, resulting in an increased consumption, so that a larger business could be done at a reduced expense. In addition, they would no doubt be very glad to have the Government discontinue subsidizing their competitor, the Sugar Trust, through the high protection now given to the trust's beet-sugar factories. The line is clearly established, with consumers,

manufacturers, dealers, and independent refiners desiring lower duties, and opposed to this the Sugar Trust and their allies, the domestic sugar producers.

The domestic beet-sugar men make the claim that they were responsible for the decline from the high price touched last September. Instead, they simply followed the market. (Hardwick Hearings, p. 3372.) Quotations for beet sugar f. o. b. Hamburg touched 18s. 9d. in September, declining to 16s. by December 4, a reaction of 66 cents a hundred pounds. American beet-sugar factories sold their product in September at 6.50 cents, and by December 4 had declined to 5.90 cents, a reaction of 60 cents a hundred. Our 500,000 tons of domestic beet sugar which began to come on the market in July in California and before the sharp advance was not responsible for the decline, which came after the 1st of October. This six and a half million tons produced in Europe, coming on the market around the 1st of October, was responsible for the reaction.

As an indication of what the American consumer may expect from the domestic beet-sugar industry, let us refer to a recent occurrence. About the middle of February, in anticipation of higher prices, the beet-sugar factories with one accord withdrew their product from the market, although 25 per cent of their production remained unsold. Willett & Gray's Statistical Sugar Trade Journal of February 29 covers the situation. They say:

"The beet-sugar factories are still quoting 5.90 cents less 2 per cent, and thus practically withdrawn from the general market."

New York cane-sugar refiners were then, and are still, selling granulated at 5.80 cents. The beet-sugar factories suddenly withdrew their product, in an endeavor to force higher prices, in face of the fact that sugar was then a half a cent higher than the lowest price touched since the 1st of January, 1912, and fully 2½ cents a pound above the cost of producing beet sugar. As a result of the figures furnished by the beet-sugar men the Hardwick committee showed that beet sugar could be produced at less than 3 cents a pound, and taking competent and incompetent factories, properly and improperly located, the average cost was only 3½ cents a pound. On the latter basis, which is known to be high, prices quoted above show a profit of 70 per cent over the cost of production. It is possible, therefore, that the dividends of 33½ per cent paid by the Michigan Beet Sugar Co., and 100 per cent paid by the Union Sugar Co., of California, last year will be bettered this year. Yet these are the people who cry "ruination" if the present tariff is reduced. Any attempt to show that these gentlemen are in business for the purpose of philanthropy only proves that the one making the claim is either not familiar with the situation or is willfully attempting to mislead.

Testimony taken by the Ways and Means Committee and the Hardwick investigating committee shows that the tariff increases the price of sugar to consumers nearly 2 cents a pound, and it is estimated that this tax amounts to \$104,000,000 annually. Some estimates run as high as \$140,000,000, but all are agreed on the former as a minimum. Of this the Government collects \$52,000,000 from import duties, or 17 per cent of the entire customs revenue, but only 50 per cent of the sugar which we consume shares in producing this revenue, as the imports from our insular possessions—Porto Rico, Hawaii, and the Philippines—being inside of our tariff wall, pay no duty and share in dividing the profits from our tariff, or the remaining \$52,000,000 or more, with the producers of cane and beet sugar in the States.

Our Government has once made the mistake of attempting to foster the production of sugar under abnormal conditions in Louisiana. We can not afford to repeat this mistake in a larger way with beet sugar. The production of cane sugar (a tropical plant) in Louisiana can never be a success, yet the American people have been required to spend hundreds of millions of dollars on the industry, now 100 years old, and this "infant" is crying just as loudly as ever for tariff favors. Under the "hothousing" process the maximum production has been reached, with only 8½ per cent of our requirements being filled, so that the American people can never hope to secure any permanent benefit from the production of cane sugar in Louisiana, which is dependent on "special privilege legislation." The farseeing men in Louisiana admit that it would have been a great blessing to their State if the tariff on sugar had been removed 25 years ago, as in that event their lands would now be producing more suitable and remunerative crops. The Hardwick committee report (p. 26) shows that the present tariff is so high that it encourages overcapitalization of beet-sugar plants. It also encourages the improper location of factories where natural conditions are not such as to produce the best results. The industry would be on a much better footing if the tariff were revised, so as to prevent both of these conditions, which are fundamentally so unsound.

Mr. William Bayard Cutting, one of the first in this country to engage in the production of beet sugar, stated "that the beet-sugar industry is profitable under conditions of absolutely free trade, and that the United States being an agricultural country, the industry has nothing to fear even from the annexation of Cuba." Prof. F. W. Taussig, Henry Lee professor of economics at Harvard University, in the February issue of the Quarterly Journal of Economics, says regarding the beet-sugar industry: "If protection to young industries was needed, it has been given. The initial stages of trial and unfamiliarity are certainly passed. The industry in the far West has certainly passed the infant stage. Its difficulties in the farming region proper seem to be due to the competition of the other kinds of agriculture, which, under the typical American conditions, are more profitable. If this kind of agriculture needs protection and if the familiar grain growing, cattle fattening, and dairying of the corn-wheat belt do not, the explanation is still to be found in the principle of comparative cost." Therefore, if the tariff is materially reduced or removed, only the unnatural development of the industry is stopped, while its natural growth is unhampered, and the result will be of material benefit to all of our people.

Let those who claim that the public will not receive the benefit of a reduced tariff refer to the year 1891, when the tariff law reducing the duty 2 cents a pound became effective April 1. Refiners' quotations fell 13 cents in one week—from 6½ cents, the quotation of March 26, to 4½ cents, the quotation of April 2. By May 14 granulated sugar had reached 4½ cents. Let them also refer to the testimony taken by the Hardwick investigating committee (pp. 35-47). Absolutely free trade on sugar would mean foreign competition for our refiners, making it impossible for them to advance prices beyond world's values.

The country has been taxed heavily for many years for the benefit of the domestic sugar industry, and the time has come when the public's interests rather than the profits of promoters should be considered.

Mr. RAINEY. Mr. Chairman, I yield one minute to the gentleman from Tennessee [Mr. GARRETT].

Mr. GARRETT. Mr. Chairman, I wish simply to ask permission to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

Mr. MANN. Reserving the right to object, why should the gentleman not make his remarks on the floor on this very important bill? I would like to hear the gentleman.

The CHAIRMAN. Is there objection?

Mr. MANN. I reserve the right to object until I ascertain the information. What is the intention in reference to further debate?

Mr. RAINEY. I have an hour, and I have a number of gentlemen on my list who want to speak from 5 to 25 minutes.

Mr. MANN. I am not going to consent to the gentleman yielding out his hour one minute at a time and have each gentleman get leave to extend his remarks until I know what the general debate really is to be.

Mr. RAINEY. I do not know but one other gentleman during the hour who desires to extend his remarks in the RECORD. The others to whom I shall yield expect to speak, and I presume, then, they expect to take some time to extend also.

Mr. MANN. I shall not object at present, in the absence of the gentleman from Alabama [Mr. UNDERWOOD], but I give notice that I am not going to permit, by unanimous consent, everybody in the House to extend remarks in the RECORD when we do not know how long the debate is going to run.

Mr. GARRETT. If the gentleman desires to know the subject on which I propose to extend my remarks, I will say that it is on the subject of the bill under consideration.

Mr. MANN. That was not the point.

The CHAIRMAN. Is there objection to the gentleman from Tennessee [Mr. GARRETT] extending his remarks in the RECORD? Is there objection? [After a pause.] The Chair hears none.

Mr. RAINEY. Mr. Chairman, I yield one minute to the gentleman from Maryland [Mr. LINTHICUM].

Mr. LINTHICUM. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

Mr. MANN. Reserving the right to object, I shall object unless we can ascertain as to whether or not we are to have debate cut off. I wish to hear what the gentlemen have to say on this subject.

Mr. UNDERWOOD. Mr. Chairman, I will say to the gentleman from Illinois [Mr. MANN] that there have been requests coming to me from his side of the House for general leave to print on this bill, and I intended when we got back into the House—inasmuch as we can not ask for it in the committee—to ask for a general leave for everyone who has spoken on the bill to extend his remarks, and for those who have not spoken leave to print for five legislative days, if it meets with the approval of the Members of the House.

Mr. MANN. I have listened to every speech that has been made on the floor of this House to-day, and I hope I will listen to others. I am still lacking a great deal of information on this subject. I think it is important enough that the House should hear the gentlemen who have information on it, and not merely let them insert speeches in the RECORD that I certainly will not have the opportunity to read, and I presume other Members will not read, in the busy session of Congress.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland [Mr. LINTHICUM] to extending his remarks in the RECORD?

Mr. MANN. Mr. Chairman, for the present I shall object.

Mr. RAINEY. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. AYRES].

Mr. AYRES. Mr. Chairman, I rise, not so much to make remarks upon the sugar tariff, as to read to our stand-pat friends across the aisle a few of the many letters that have lately been coming from the Republicans of my district. As I have sat here through the discussions upon three tariff bills this session and watched these gentlemen voting stolidly against every proposal to lighten the burden of taxation from which the people are suffering, I have wondered whether they ever consult the voters and taxpayers in their districts, and if they do, whether they really believe in representative government.

My notion of the duty of a Representative, Mr. Speaker, is very simple. It is that upon the great questions of the day he shall learn what his constituents desire him to do, and that then he shall do it.

About three weeks ago I began to send to the voters of my district many thousands of letters asking them to give me their views upon a dozen of the leading subjects which come before us at this session, and, if they desired to do so, their presidential preferences. These letters are going out to all the voters, irrespective of party, and the answers are coming in freely, now somewhat less than 100 a day.

Mr. BURKE of Pennsylvania. Will the gentleman yield for a question?

Mr. AYRES. Certainly.

Mr. BURKE of Pennsylvania. The gentleman is proposing to discuss the duties of Members of Congress. Does he believe that in the face of the fact that it has been announced here, or given generally to be understood, that debate on a bill effecting \$53,000,000 of revenue is to be cut off, and Members of this House are to be denied free expression of their opinions with reference to that bill—does he believe that he is acting the part of the high standard of a Member of Congress by taking up the time in delivering a lecture in the midst of this discussion, the lecture not having any connection whatever with the bill under discussion?

Mr. AYRES. I think the gentleman, before I finish, will consider that I have discussed the tariff question. The results have been tabulated up to last Saturday, March 9, when 1,783 replies had been received, and while that number can not be considered a complete referendum of the district, the decisions are so plain that he who runs may read. When, on election night, upon the illuminated board in front of some great newspaper is flashed the bulletin: "One hundred and seventy-five election districts out of 850 in Brooklyn give John Smith 4,891 plurality over Thomas Brown," everybody knows that John Smith is elected, and that the complete returns will only make his majority the greater.

The district which I have the honor to represent is the Bronx, the northern part of New York City, a great manufacturing center, and separated from Manhattan by the Harlem River. Our citizens mostly live in detached houses, with yards and gardens, although we also have many flats and apartments. The northeasterly corner of my district is just 11 miles from the westerly line of the district represented by the gentleman from Connecticut [Mr. HILL]. In many respects these two districts are alike. Each has a frontage on Long Island Sound, and is interested in marine affairs, each contains numerous and diversified manufacturing industries, in each the growth of population is largely caused by the overflow from Manhattan, and in each the sentiments of the people upon the tariff are much the same.

One of the first letters that came was the following:

We should have all our Congressmen real representatives of the people; but as it is now our so-called Representatives are, in a great many instances, the clerks of the big business interests. Hoping that this idea will give you something to think about, I am,
Yours, very truly,
DAVID ROUSSEAU.

Mr. DALZELL. That is an insult to the House.

The CHAIRMAN. The time of the gentleman from New York [Mr. AYRES] has expired.

Mr. AYRES. Mr. Chairman, I would like to have five minutes more.

Mr. RAINEY. I will yield two minutes to the gentleman.

Mr. AYRES. It did give me something to think about, something that I have thought about many times before. Now, Mr. Chairman, let me especially disclaim making a charge against any one of my stand-pat friends across the aisle that he is a "clerk of the big business interests" in what might be deemed a personal or unpleasant way. But the fact remains that each one of these gentlemen who resist so stoutly the lowering of the outrageous tariffs is a representative of certain big manufacturing interests and of them alone; for these big manufacturing interests and the gentlemen across the aisle are practically the only American citizens remaining who believe in maintaining the present tariffs. It is certain that the great bulk of honest, thinking Republicans do not believe in the tariffs of the Payne-Aldrich bill.

And may I offer to my stand-pat friends a bit of advice—my stand-pat friends who think they are leading the Republican Party. It is, indeed, a noble and inspiring thing to lead a united and harmonious army against the enemy, but it is dangerous to the leaders when the army decides not to follow. It is glorious to be in the van carrying the colors, but it is sad, indeed, to have your own army shoot you in the back. And it would be much safer for my friends on the other side of this Chamber if they would take the advice offered by another Republican of my district, who writes this:

MARCH 6, 1912.

I appreciate your courtesy in asking my views on the questions submitted. I will only suggest that I think Republicans and Democrats, in a spirit of lofty patriotism and statesmanship, should compromise on moderate tariff bills.

Very sincerely,

D. C. MCKAY.

The tariff bills that have been offered by our Ways and Means Committee—the wool bill, the steel bill, the chemical schedule—are moderate bills. They are reasonable and gradual reductions of the tariff. And a certain section of the Republicans in this Chamber, realizing that fact, have cooperated with us in giving their support to each of these measures. We welcome the help of these Progressives. We believe them, in respect to the tariff, actuated by an earnest desire to meet the

wishes of their constituents. And in voting for lower duties they are displaying courage, honor, and statesmanship.

We believe that these Progressives represent the real sentiment of the bulk of the Republican Party on the tariff question, and it is to show them that in the East, also, the voters in their party are for lower duties that I wish to read some letters from the plain Republicans, not the politicians, of my district.

Mr. Chairman, the first two questions on the list asked the voters were about the tariff. Did they think it should be lowered? Up to last Saturday 636 Republicans have written their views on this subject, and of this number 533 said they believed the Payne-Aldrich tariff is too high and only 103 wanted it left alone. The Democrats and Independents who sent letters were almost unanimous in desiring the duties cut, so that of the 1,680 letters on this point received in the past two weeks 1,504 were for lower duties and only 176 for the present rates. Here are a few of these Republican letters, so that you stand-patters across the aisle may know what your party really wants:

J. P. CHAMBERLAIN & Co.,
Manufacturers' Agents for Foreign and Domestic Woolsens.

The reduction of the woolen tariff most interests me. The ad valorem principle of the last Democratic tariff bill is right, and 50 per cent ad valorem, with no specific duty, is conservative. * * * Pass such a bill, and we will have a settled condition of business in textiles such as we have not had since 1907.

J. P. CHAMBERLAIN,
900 Summit Avenue.

I am decidedly of the opinion that the present wool schedule is shamefully high and should be lowered. I feel equally strong that judgment should be used in its correction. * * * I mean that it should be done by degrees. I am a dyed-in-the-wool Republican, but I am not in sympathy with their practices as applied to tariff legislation and feel there are many more in the party who agree with me.

HARRY W. KING.

MARCH 7, 1912.

Tariff and protection (God save the mark) are widely different things, the former being all right if properly levied, but the latter covers a multitude of sins, because it works to the advantage of the few who do not need it as against the many who do need it. Tariff for revenue only, and levy it on the luxuries of life.

JNO. HENRY FISHER.

I do not think that the tariff on wool, steel, and cotton should be reduced to such an extent as to destroy a legitimate profit on domestic production; but I believe there is now a sufficient margin to permit a lowering of the tariff without injury to our interests. Of the Republican candidates in the field I do not think I shall vote for either if nominated.

A. ANSWATER.

With regard to the tariff question, I believe that the present duty is too high, and while I favor a protective tariff I believe that it should be based upon domestic and foreign costs, so as to place our manufacturers merely upon an equality.

JOHN EWEN,
Spuytten Duyck.

I would suggest that the reduction on general lines take place at the earliest possible time. Reduction to be on all the absolute necessities, such as food and wearing apparel. Not for the benefit of the wealthy, but of benefit to the medium and poorer classes.

JOHN S. LINN,
2712 Heath Avenue.

I am led to favor a gradual reduction in the tariff, not from any conviction that there is merit in a low duty, but simply as an experiment. Although I have grave doubts concerning the method, it may nevertheless prove advantageous despite my opinion to the contrary, and I am willing to have a trial made.

CHARLES E. W. HELLERSON,
406 West 261st Street.

Labor is not benefited by protection. It simply helps to rob the people. All duties should be for revenue only. Free materials and free ships will put us way ahead of both England and Germany.

I am pleased to answer your inquiries and to express to you the thoughts of the citizen and the taxpayer. I would state that I have always been an independent Republican. It is self-evident to all thinking men that party lines are pretty nearly wiped out. We have been done up brown by both parties, and it is time we forgot them. What we need is just such work as your letter indicates—a closer understanding between the Representatives and the people.

FELIX HOFFMAN.

I would like to see some Democrat as President, for I believe some tariff revision is necessary.

LOUIS GREY,
441 East One hundred and fortieth Street.

I also believe that your idea of getting the opinion of the voters of your district is the proper one, and while I am a Republican all my life I am opposed to the present protective tariff and believe it should be revised. Will be very happy to promise you my vote if you support tariff revision, regardless of your position on other questions.

A. E. FULLER.

I do believe that some changes in our tariff are needed, and where certain things now protected can compete in the foreign markets, it is about time we in America got the benefit.

BEVERLY A. SMITH,
53 Marble Hill Avenue.

MARCH 4, 1912.

With regard to the tariff, I believe this question should be taken out of politics entirely and handled by a commission and scientifically revised. It is my opinion there should not be a wholesale reduction, but as the tariff now stands it prohibits competition between this and foreign countries to a great extent, and by protecting the trusts keeps the cost of necessary commodities almost beyond the reach of people with modest incomes.

L. J. CHILDS.

While I have always voted the Republican national ticket because I believed in the principle of a high tariff, my belief to-day is that after sufficient revenue is provided for Government maintenance, that the tariff be entirely abolished.

MORRIS ROSENBAUM.

I have always voted the Republican ticket, but have turned independent, as I do not believe we need any high tariff any more.

ISIDOR LASH.

I am in favor of a revision of the tariff. I think all duties should be removed except as needed for revenue and to protect new industries which are worth while protecting.

F. H. WEEKES.

In regard to tariff revision, I am holding the same opinion as nearly all business men I am coming in contact with, viz, reduce it to a revenue basis and have it over with as soon as possible, in order that we may know where we stand. The uncertainty is killing.

CHRISTIAN H. WERNER,
2979 Marion Avenue.

When a child is toddling we help it along with apron strings, etc. When it is full grown it is able and aggressive enough to fight its own way. * * * Now, while some tariff is needed, the apron-string period is long since past. However, I do not believe in free trade, but a reduction in existing high tariff.

GEORGE E. CUTTLE.

I consider that it is the bounden duty of Mr. OSCAR UNDERWOOD and his colleagues to report a bill immediately that will afford immediate and substantial relief to business people from the payment of unjust, exorbitant, and prohibitive duties on the first necessary of life after foodstuffs. We devour food to keep the inner man warm. Congress has denied and is denying the right of every human being to possess clothing that will keep them warm without having to pay tribute to manufacturing interests.

HALLECK D. VAN PELT,
Corner Fieldston Avenue and Two Hundred and Sixty-first Street.

I have your polite note to a Republican, which I appreciate very much. I think this tariff needs pruning on many sides. * * * We should now be beyond the phase of revolutionary legislation on the tariff, but at the same time the old method of swapping tariff favors violates the rules of common decency.

E. K. MARTIN.

You ask why I think the tariff should be reduced. For years I have read * * * that American goods manufactured here could be bought cheaper in Europe than here. Two articles probably mentioned the most are watches and harvesting machinery. I am a firm believer in the protection of new industries until firmly established, and then a reduction by commission, if possible.

WILLIAM HODGSON,
153 East One Hundred and Seventy-ninth Street.

I would say, in brief, that in my opinion, and also in that of some others I know, the present tariff is unfair to the people, who are compelled to pay more for inferior articles. This is especially true of clothes. By the present tariff it is the manufacturer who receives the benefit; not the people. Wages have been going down in many trades instead of up. It is getting harder for native Americans to get a job every year. * * * Take the apartments I have been living in for the past six years. I have never yet seen a native American do any painting in them. It has all been done by foreigners who can hardly speak English. The strike at Lawrence is a good example of what manufacturers consider "living wages." * * * We need some kind of change, and I firmly believe taking off the tariff would help the masses.

CHARLES J. LEACH.

The reason I have for desiring a reduction in tariff is that this will tend to reduce living expenses by bringing competition and thus stopping the trusts from creating artificial prices. I can assure you as a wage earner that it is difficult to-day to make both ends meet.

E. M. MAHER.

As to giving you my reasons for believing that the tariff should be lowered, there are so many details that I should like to refer to and so many abuses that I have seen that I could hardly state my reasons in 10 lines as you suggest. I might state generally, however, that my particular grievance against the present tariff, while of course due fundamentally to the enormous rates on some of the articles, is more particularly on account of the outrageous subterfuges employed to hide these rates.

BENJAMIN A. LEVITT.

Here is a letter from the president of one of the largest manufacturing institutions in the Bronx, the Morris Heights Gas Engine & Power Co., which makes steam and gasoline power boats. It perhaps turns out each year more gasoline launches than any other concern in the United States. Its president, Mr. John J. Amory, is a lifelong Republican and a most intelligent and useful citizen. After stating that he believes the tariffs should be lowered, he says:

Most reluctantly I confess, man to man, a lamentable ignorance on the subject in question. I have heard the matter discussed pro and con to such an extent that my brain whirled, dizzy with doubt. Broadly

speaking, I am of the opinion that high tariff or low tariff, or no tariff, should be fixed as the result of careful and unprejudiced investigation, by a competent committee appointed for that subject as to each of the different commodities.

It appears to me that the recent investigation of Schedule K, the wool tariff, proved conclusively the desirability of treating the whole tariff proposition along like lines.

JOHN J. AMORY.

One of the industries which have grown up in our district is the making of pianos. More musical instruments are made in the Bronx than in any other similar area in the United States. We now have 51 piano factories, among them the makers of many instruments which bear well-known names. Experts say that the air of the Bronx gives a superior tone. This may well be so, because the east wind, careering in from the ocean across the plains of Long Island, hovers above that little suburb just across the upper East River called Oyster Bay, and thus comes into our borough freighted with sound. The tariff affects all of these manufacturers, and here are letters from two of them:

THE BOGART PIANO CO.

We are pleased to acknowledge receipt of yours of the 15th with copy of House bill 18642 (the steel bill), and we have failed to find therein anything that would be a detriment to our business in any way, shape, or form. * * * Answering your question as to whether we believe the schedules of the Payne-Aldrich law are too high and could be safely reduced without interfering with our business, we believe that they could.

E. B. BOGART, President.

LUDWIG & CO., GRAND AND UPRIGHT PIANOS.

I am in receipt of your letter, with inclosure of House bill No. 20182 (chemical schedule), and after * * * seeing the very small duty to be put on Chinese nut oil, I can not feel that this is an exorbitant duty, and do not doubt but what it would be perfectly right. * * * Have also looked over bill No. 18642 (metal schedule), * * * and must say that I would not consider that our business would suffer any.

L. D. PERRY, Treasurer.

Now, Mr. Chairman, if there were time I could read hundreds of these letters, but the fact I wish to emphasize is that five out of six of the Republicans are in favor of lower tariffs. Why, then, will not you gentlemen who assume to represent them vote as they want you to do?

The next question asked of the voters was their opinion as to the parcel post. The committee of the House which has charge of postal matters has just brought in the annual appropriation bill and incorporated in it a provision for a rural parcel post and a reduction of fourth-class rates on packages of 1 pound and upward. This is a most conservative provision, and, in my judgment, does not meet the demand of the people for a real parcel post. I sincerely hope section 8 will be amended and made more liberal before it is enacted into law. The wish of the people of our district was indicated unmistakably by their letters. The vote is 1,678 for and but 69 against it. Such unanimity shows that it is favored by voters of all parties. More than this, no question asked was so enthusiastically answered in the affirmative. The people want the parcel post.

The question as to the initiative, the referendum, and the recall, especially of the recall of judges, brought forth many interesting letters. The votes cast to the date mentioned are as follows:

	For.	Against.	Not voting.
Initiative.....	878	449	456
Referendum.....	955	426	402
Recall.....	831	609	343
Recall of judges.....	763	688	332

It is evident that many do not understand what is meant by these propositions. In fact, many frankly confessed that they did not know and some said they did not want to know, believing that the old style of representative government was good enough for them. Some of the comments made are full of valuable suggestion and furnish food for thought. Here are a few of them:

I have answered some of the questions, * * * but I think many such questions can not be answered by the constituent, and the fact that they can not is, to my mind, the one convincing argument for representative government—the government established by the Constitution. We send a Representative to Congress, who sits in committee, which either knows about the subject or has power or means for obtaining the knowledge. I take the liberty of saying these things only to explain why I am against the "initiative, the referendum, and the recall." Those things may belong to some other form of government. They may be possible in some small Commonwealth like ancient Athens or modern Switzerland, but they are foreign to our constitutional form of representative government and would be destructive of it if attempted. * * * Although I am a protectionist, it is impossible for me to say whether the tariff rates are too high. I have a suspicion, however, that they are in instances and I believe this impression is general throughout the country.

LOUIS O. VAN DOREN.

DEAR MR. AYRES: I will support no candidate for President who favors and advocates the revolutionary doctrine of the "initiative, referendum, and recall." That scheme would produce turmoil, strife, violence, anarchy, and mob rule all over our country. It is a dangerous, wicked doctrine.

HENRY L. SMITH.

NEW YORK LIFE INSURANCE CO.

MY DEAR MR. AYRES: As my Representative, I expect you to exercise your judgment and a knowledge which in the nature of things must be better than I can have, on all questions which affect the country as a whole. Your duty to your district is only a fractional part of your whole duty.

D. P. KINGSLEY.

The votes on the other questions of current interest were as follows: Shall civil-service employees be retired upon pensions after faithful service?

In favor	1,211
Opposed	432

Shall the United States retain the title to the Alaska coal deposits and own and operate the railroads to tide water?

In favor	1,325
Opposed	281

Shall the Army be increased and kept in a state of efficiency?

In favor	871
Opposed	802

Shall the Navy be increased—two battleships a year?

In favor	1,194
Opposed	495

The Sherwood (dollar-a-day) pension bill:

In favor	821
Opposed	820

Election of United States Senators by direct vote of the people:

In favor	1,556
Opposed	182

It was suggested that such as desired might express their preferences of presidential candidates. Many did not wish to do so. But of the Republicans who voted this is the summary:

William H. Taft	338
Theodore Roosevelt	209
Charles E. Hughes	27
ROBERT LA FOLLETTE	17
Scattering	90

A review of the letters from Democrats shows a large number who express a preference either for CHAMP CLARK or for OSCAR UNDERWOOD. Scarcely a letter arrived that did not contain the name of one or the other of these distinguished gentlemen as either first or second choice. And this is convincing proof that the work of this Democratic House in its efforts to reduce the tariff has met the enthusiastic approval of the Democrats of the Nation.

Many of the comments made by voters as to presidential candidates are unique and ingenious. Here are a few of them, given without the names of the authors, but with the party to which they belong:

Harmon and harmony; that's my ticket. (A Democrat.)
I believe Taft's work embodies democratic principles. (A Republican.)
My first choice is Roosevelt; second choice LA FOLLETTE, because of "past performances." I think he would make an able and efficient Executive; third choice Wilson. * * * Eliminating Roosevelt and LA FOLLETTE from the Republican side, I would cast my vote for him, and know at least 25 Republicans among my friends who would also vote for him. * * * (A Republican.)

Will work for Gov. Wilson;
Will vote for CLARK or Harmon;
Will stay home for Taft;
And go fishing for T. R.

(An Independent.)

Here's to CHAMP CLARK;
Hear the hounds bark;
The people are coming to town.
Hark! Hark! Hark!
What a fine lark;
They dassen't kick us aroun'.

(A Democrat.)

UNDERWOOD and SULZER. Well, nobody objects to SULZER, and his bullhead luck can't be beat. If he picked up a piece of coal in the Pennsylvania Station, it would turn into a diamond by the time he got to Washington. (A Democrat.)

I think your idea of sending out these letters a very good one, worthy of a Socialist. While I am not in favor of an increase of the Army, I do not believe in a decrease in any part of the service. (A Socialist.)

At first I wrote Roosevelt as my first choice, but as I have always been conservative, though I have only voted six times, I feel he is too uncertain. There is no need of remaking the Constitution, nor of exploiting the people by inciting their hatred of those in better circumstances. * * * Let us run along on the old lines, with just a little more individual honesty. (A Republican, written the day after the Columbus speech.)

And here are two more letters that have come, each one showing that the author has definite views as to wise governmental policies:

I would like to say that I am only a boy of 12 years of age, but I think I can judge what is good for the country. About the Army and Navy, I think the United States ought to build a couple of war ships each year. I read in the papers how other nations are building ships one right after each other.

JAMES GIFFEN.

Why not have fewer orations and more deeds in Congress?
BARNET HOUSE.

The CHAIRMAN. The time of the gentleman has expired. Mr. DALZELL. Will the gentleman yield for a question?

Mr. AYRES. Certainly.

Mr. DALZELL. Are these forms of questions all alike?

Mr. AYRES. They are all alike.

Mr. DALZELL. I observe you did not ask your constituents what their views are on the tariff on sugar.

Mr. AYRES. I will say to the gentleman that the reason for that is that the sugar matter came up after the blanks were printed.

Mr. DALZELL. The sentiment is the same as to that?

Mr. AYRES. Entirely. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record.

The CHAIRMAN. The gentleman from New York [Mr. AYRES] asks unanimous consent to extend his remarks in the Record. Is there objection?

There was no objection.

Mr. RAINEY. Mr. Chairman, I yield to the gentleman from Louisiana [Mr. DUPRE].

Mr. DUPRE. Mr. Chairman, it is very fair on the part of the gentleman from Illinois [Mr. RAINEY], with full knowledge of my opposition to the pending bill, to yield me time out of his allowance, and I am grateful. I only wish that some such spirit of fairness had animated the majority members of the Committee on Ways and Means in the preparation and submission of this bill, which is so unfair to the district that I represent and to the people of the whole State of Louisiana. [Applause on the Republican side.]

My tenure in this body has been brief, dating back only to the third session of the Sixty-first Congress. It has been my pleasure and privilege in that time to witness the dying gasps of a repudiated Republican majority and to hail the advent into power of a reunited Democracy in this House. Since December, 1910, I have sought in an humble and unobtrusive way to cooperate with my party leaders in this body and to vote with them on all party measures. The record will disclose no contrary vote. I have yielded my own ideas to their more seasoned judgment at times when I thought that they were wrong, and I have not hesitated, at the risk of serious political jeopardy to myself, to follow them when I believed they were right.

For instance, in the last Congress when Canadian reciprocity was first proposed and at a time when sentiment thereon had not crystallized in my district, but, on the contrary, was widely divergent, I voted in the Democratic caucus and in the House for Canadian reciprocity. I did not believe that a Tariff Board was necessary to revise the tariff, and, accordingly, in the Sixty-first Congress I voted "present" when the roll was called on that measure, pairing, as a matter of convenience to him, with the gentleman from Illinois, my friend Mr. ROMBERG, who favored such a board. I was in most excellent Democratic company. That my view was correct and that no Tariff Board is necessary has since been shown by the many admirable measures which the majority members of the Ways and Means Committee have heretofore presented to this House without the assistance of any Tariff Board.

I favored the publicity of campaign expenses, not only in theory but in practice, and so when the gentleman from Kansas [Mr. JACKSON], in the present Congress, presented an amendment to include within the provisions of the pending bill publicity of expenses incurred in primaries as well as general elections, I voted for his amendment. It was only at the urgent solicitation of those high in authority in this House that I consented to reverse myself and voted for the motion to recommit, and I have noted with satisfaction the vindication of my original attitude as shown by the subsequent action of the Democratic majority of the House in agreeing to the conference report, which substantially incorporated the Jackson amendment. I voted against the Sherwood pension bill, and I believe that in so doing I was acting with the best Democratic thought in this House and in this country. I advert to these matters in no spirit of criticism of others, in no spirit of laudation of myself, and certainly in no desire to apologize for my present attitude, but merely to emphasize the regret which I feel now that the parting of the ways has come.

I confess, however, that the poignancy of my regret is greatly tempered by the conviction that it is not I who am leaving the reservation, but that it is the Democratic majority of this House that is abandoning it and leaving six Democrats from Louisiana and three Democrats from Colorado to hold the fort. It is not I who am departing from the traditions of the Democratic Party for more than half a century, so far as free sugar is concerned. It is not I who am violating the provisions of the Denver platform—the last authoritative pronouncement of the Democratic Party. It is not I who am repudiating the prece-

dents set by the Democratic majority in this Congress when it fathered and supported bills for the gradual reduction of wool and steel and textile fabrics and chemicals, and so forth.

From the Democratic viewpoint, sugar has always been regarded as the ideal revenue producer, and so has always been subject to an import duty. Even when the Republicans enacted the McKinley tariff law, and sugar for the first time was put upon the free list, the injustice that would be worked was recognized by the award of a bounty, a subsidy, to which I am absolutely opposed, as my people were at that time. The Denver platform, as we all know, declared for a gradual reduction of tariff duties, and when it meant to single out a particular industry to be put upon the free list that industry was specifically mentioned, as, for instance, in the case of lumber. It contained no plank for free sugar. The majority of this House has, in other tariff legislation submitted, adhered to the Denver platform and provided for a gradual reduction of duties. Why is sugar alone picked out to be put upon the free list? Why has the sugar industry been marked for destruction?

We are told in explanation that there is a tremendous sentiment in this country in favor of free sugar, as shown by the thousands and tens of thousands of petitions on file with the Ways and Means Committee and sent to individual Members of Congress.

I believe, in the first place, that many of these are of artificial growth and are the results of the agitation conducted by one Frank Lowry, self-styled secretary of the Wholesale Grocers' Association and self-admitted representative of Spreckels, the sugar king.

And, in the second place, I want to say that I do not believe in government by initiative but in representative government, with due consideration of the wishes not only of a certain part of the people but with a view to meting out justice to all the people. This legislation is sought to be justified by the present high cost of living and the corresponding necessity of reducing the duty on food products. Living should be made cheaper; but I, for one, have not seen in this body any serious attempt since Canadian reciprocity was defeated by the action of the Dominion, to reduce the duty on meat or flour or other food products. It is further contended that sugar should be placed upon the free list because of the rapacity of the Sugar Trust, whose illegal methods and operations are undoubtedly one of the greatest scandals of latter-day business. I have absolutely no sympathy for or interest in the Sugar Trust, nor have the cane growers and sugar manufacturers of Louisiana. Why should they be ruined in order to punish the Sugar Trust? The recent hearings before the Hardwick investigating committee disclosed conclusively that there is no collusion between the sugar interests of Louisiana and the American Sugar Refining Co.—no connection at all between them, except such connection as exists when a highwayman holds up a wayfarer on a lonely road and at the peril of his life makes him stand and deliver. Even the Columbus of the Sugar Trust, the gentleman from Georgia [Mr. HARDWICK], rabid advocate of free sugar as he is, will admit that the hearings before his committee showed that the cane growers and sugar manufacturers of Louisiana have no greater enemy than the Sugar Trust, except possibly the gentlemen who are about to vote for this bill.

Mr. Chairman, the sugar industry of Louisiana represents an investment of hundreds of millions of dollars—money invested on the faith of a consistent course of fair dealing adopted by the Congress of the United States to that industry. The Louisiana sugar crop means from ten to twenty millions of dollars per annum to the people of the city of New Orleans, whom I represent in part on this floor. I for one do not propose to see the State of Louisiana and the people of my district garroted and crucified in any such manner as is proposed by this free-sugar bill if I can prevent it. I will not, under the persuasive argument of party fealty, vote for a measure which contravenes the principles and platforms of that party and at the same time imports ruin and disaster to my constituency. I much prefer to receive the sneers and taunts of those self-sufficient gentlemen who question the sincerity of the Louisiana Democracy and who would seek to read Democratic Representatives from Louisiana out of the Democratic Party. I do not intend to and I will not be read out of the Democratic Party. I propose to stay in the Democratic Party, doing what I can to prevent it from making such tremendous economic and political blunders as the majority of this House is about to commit.

In conclusion I wish to make it clear that my unalterable opposition to this measure is not coupled with any hostility to the proposed excise tax. I shall vote for that measure, and I hope that it will accomplish the objects desired by its champions and sponsors and that it will stand the tests of the courts.

I trust that it will reach those persons whom it should first reach—those persons who unquestionably would be made to disgorge under the operation of an income tax sanctioned by constitutional warrant. I believe in an income tax. I stand now where I did when a member of the General Assembly of Louisiana. I was speaker of the house of representatives of my State when the question of ratifying the income-tax amendment was presented and with a large majority of that body I voted for its ratification. Soon may the day come when it will receive the approval of a sufficient number of States to give Congress the authority and permission to impose, if necessary, an undisguised income tax that will reach all classes of our population and not depend for its legality on speculations and predictions as to the attitude of the Supreme Court of the United States as presently or hereafter constituted.

Mr. RAINEY. Mr. Chairman, I yield two minutes to the gentleman from Pennsylvania [Mr. GREGG].

Mr. GREGG of Pennsylvania. Mr. Chairman, I rise to say that I intend to support this bill. However, I expect that I shall be absent to-morrow when the vote is taken, and therefore I desire to go on record now in favor of the bill.

I support this measure, first, because I believe it is right, because it is in keeping with the desires and sentiment of the people of my district, who are in favor of removing all taxes from the necessities of life; the Federal Government has neither legal nor moral right to tax the food that goes on the table or the clothing that covers the bodies of the people; and, secondly, because the people of my district, by petitions numbering into the thousands, have requested me so to vote. [Applause on the Democratic side.]

Mr. O'SHAUNESSY. Mr. Chairman, I favor this bill. It is an assault upon the Sugar Trust and a corresponding help to the American people who have suffered for years from the burdens of taxation in order that millions might be multiplied in the hands of a few men. This Democratic House, under the inspiring leadership of its distinguished Speaker, CHAMP CLARK, and OSCAR W. UNDERWOOD, has endeavored to put upon the statute books laws that would lift the burden of taxation from the backs of those least able to bear it and place it on the shoulders of those fortunate enough to have comfortable means and who would never feel any burden from the imposition of an insignificant tax. We want to make possible a decent living for the average man. Nothing that the Democratic majority in this House has attempted to do deserves such plaudits from the American people as the bill now under consideration which, if made into law, will bring home to the tables of every family in the land the blessings of real tariff revision downward. The Payne-Aldrich tariff law and high prices are still with us, and are as much an issue in 1912 as they were in 1910. This legislation is designed to cut down the high cost of living, and on that issue a Republican majority was converted into a Democratic majority in this House. [Applause on the Democratic side.] And we will continue this fight for the people, though we have a Republican Senate and President to challenge our efforts.

The Sugar Trust formerly competed with the beet-sugar industry, of which we have heard so much on the floor of this House, and which has its champions from the States where that industry is paramount, demonstrating again the old saying that "Congress is but a convention of local envoys." I understand that when it was in competition with the beet-sugar industry it was vociferous in its demands for free sugar; but now that it controls the beet-sugar industry, its voice is not heard for free sugar; but a greater voice than that of the trust is heard for free sugar, and that is the voice of the American people, crying out against the domination of this corporation. [Applause on the Democratic side.]

The Sugar Trust furnishes an example of unparalleled greed in the history of protection. Not satisfied with the levy imposed upon the American people through the allowance and the sufferance of the Republican Party, it proceeded to rob the Government of millions by false weights, and since that robbery it has disgorged over \$2,000,000, in all probability but a modicum of its ill-gotten gains. To-day the spectacle is presented of directors and ex-directors of the Sugar Trust standing at the criminal bar of the United States courts, pleading to an indictment of a violation of the anti-trust laws, and I take occasion to call the attention of this House to the language of the United States district attorney, who characterized them as sneaks, as conspirators, and as breakers of the tenth commandment: "Thou shalt not covet thy neighbor's house."

The testimony taken before the special committee of investigation makes positively plain the fact that the consumer pays the tax. More than \$130,000,000 are taken from the pockets of the American people annually to satisfy the insatiable greed

of this sugar corporation. It is well at this time to dwell upon the taxes levied on some commodities, some necessities, and some luxuries under the Payne-Aldrich tariff. Sugar bears a tax of 78.87 per cent, while diamonds are taxed but 10 per cent. I do not know how any advocate of protection, no matter if he were mad in its advocacy, could justify such a system of taxation. [Applause.] Statuary and rare paintings are taxed but 15 per cent, while the sweet necessity of the men who work and toil, the only quasi luxury in fact that some of them ever enjoy, sugar, is taxed at this exorbitant rate of 78.87 per cent. The following table well illustrates the tremendous difference in taxation on sugar, used by all, and the many luxuries used by the few:

Duty on—	Per cent.
Sugar	78.87
Champagne	70
Automobiles	45
Furs	50
Rare paintings and statuary	15
Diamonds	10

If this bill becomes a law, and, of course, it has to run the gamut of the much-used veto of President Taft, it would effect a saving of about 2 cents per pound to the American people on the amount of sugar they consumed last year. This Democratic free-sugar bill means that the housewife purchasing 10 pounds of sugar, for which she now pays 60 cents, could buy the same quantity for 40 cents. The saving to a family of five persons, figuring the consumption for each person at \$1.6 pounds, would be over \$8 per year.

Free sugar would stimulate the industry of canned and preserved fruits, and it is well to remember that at the time the Payne-Aldrich tariff law was being enacted the National Canners' Association—which numbers nearly 3,000 firms—at their annual convention in Louisville, Ky., passed a resolution urging Congress to abolish the duty on raw and refined sugar because, as stated in their resolution:

It is greatly desired to offer the product of our factories to the consumer at the lowest possible cost.

The National Food Manufacturers adopted a similar resolution.

Free sugar would develop our export trade in jellies, jams, and other preserved fruits and would increase the demand for labor. Other industries which enter into the canning and preserving industry would be correspondingly benefited. In this class might be enumerated tin plate, glassware, labels, and cases.

That the consumer would get the benefit of the removal of the tax on sugar is established by expert testimony before the special committee. Mr. Wallace P. Willett, a recognized sugar-statistical expert (Hearings, p. 3547), said:

Whenever duty is taken off, the consumer gets the full benefit of the amount of duty taken off and also a part of the lower cost of refining.

Mr. Claus A. Spreckels, president of the Federal Sugar Refining Co., an independent refinery (Hearings, p. 2245), said:

I believe that if you were to make sugar free it would reduce the price of the sugar by the amount of duty.

To foster the beet-sugar and cane industry in the United States, which produces 1,717,000,000 pounds, less than one-quarter of the sugar annually consumed by the American people, we are asked to continue this extortionate tariff to the injury and detriment of 90,000,000 people.

The Payne-Aldrich Tariff Act levies these taxes:

Fresh beef, $1\frac{1}{2}$ cents per pound.
 Fresh mutton, $1\frac{1}{2}$ cents per pound.
 Fresh pork, $1\frac{1}{2}$ cents per pound.
 Hams, 4 cents per pound.
 Bacon, 4 cents per pound.
 Lard and compounds, $1\frac{1}{2}$ cents per pound.
 Sausage (except bologna), 25 per cent.
 Flour, 25 per cent.
 Bread, biscuits, wafers, 20 per cent.
 Buckwheat flour, 25 per cent.
 Oatmeal, 1 cent per pound.
 Salt, 33 to 80 per cent.
 Shoes, 10 per cent.
 Sewing machines, 30 per cent.
 Harness and saddlery, 20 to 35 per cent.
 Wagons and carts, 45 per cent.
 Lumber (average on rough and dressed), \$2 per thousand feet.

This Democratic House placed these articles upon the free list in response to the demand of the American people for relief from excessive tariff taxation. Between the adverse vote of the Republican Senate and the veto of a Republican President this beneficent measure met its doom. A further effort on the part of the Democratic Party to relieve the people of the payment of over \$50,000,000 annually in tariff taxes on cotton and woolen goods, including everything worn from a sock to a hat, met the same fate. In spite of the President's own declaration that the woolen schedule was indefensible, the President saw fit to veto a measure which passed both the House and Senate, and which was designed to correct the very abuses which he himself criti-

cized. The same Executive disapproval was given to the cotton bill, designed to give cheaper clothing to the people, and providing a tariff rate sufficient to meet the difference in the wage cost between this country and Europe. The trusts demanded that no reduction be made, and the President vetoed these beneficent measures. The common people have no rights or interests which tariff-fed industries are bound to respect. The stand-patters say of them:

"Take them up tenderly,
 Touch them with care;
 Tax them but slenderly,
 Funds come from there."

[Laughter and applause.]

The people who use sugar have paid these taxes from 1897 to 1910 (date of latest Statistical Abstract of the United States):

1897	\$41,000,000
1898	29,000,000
1899	61,000,000
1900	57,000,000
1901	63,000,000
1902	53,000,000
1903	63,000,000
1904	58,000,000
1905	51,000,000
1906	53,000,000
1907	60,000,000
1908	50,000,000
1909	56,000,000
1910	53,000,000

A tax of \$750,000,000 paid on sugar in 14 short years!

Is it any wonder that the cost of living is high and that the great body of the people are poor? This tax is equal to \$53,000,000 per year, duty actually paid into the Treasury of the United States upon imported dutiable sugar. But this is not our entire load of sugar taxation. We have sugar which pays the Government no tax, as follows:

	Pounds.
Beet sugar	1,024,938,000
Cane sugar	750,400,000
Hawaiian sugar	1,110,594,466
Porto Rican sugar	569,039,881
Philippine sugar	175,869,739
Total	3,630,842,086

On this quantity of raw sugar, untaxed by the Government, there is placed a tax of 1.9 cents per pound by the refiners, who take advantage of the import tax of 1.9 cents on refined sugar, little or none of which is imported into this country, to increase the price to the consumer. This refined-sugar tax keeps the American sugar market in possession of the Sugar Trust.

From Cuba and other countries come 3,918,593,677 pounds, which are taxed at the customhouse. Our domestic sugar, together with the sugar of our insular possessions, when added to the sugar imported from Cuba and other countries, makes a total of 7,549,435,763 pounds. Deduct from this total the amount exported, 189,308,952 pounds, and we have left for American consumption 7,360,126,811 pounds, every pound of which is taxed at the rate of 1.9 cents per pound, so far as the consumer is concerned, making a grand total of more than \$139,000,000 paid annually as a sugar tax by the American people. The United States Treasury gets but \$53,000,000 of this money, and the balance, about \$86,000,000, is paid to the sugar manufacturers of Louisiana, the beet-sugar manufacturers of the West, the rich planters of Porto Rico, Hawaii, the Philippine Islands, and, last but not least, to the American sugar refiners, commonly known as the Sugar Trust, which, it is needless to say, gets the lion's share.

All of this money can be saved to the people by this Democratic free-sugar bill, which will reduce the price of sugar to all the people 2 cents a pound. Sugar is one of the necessities of life and should be free from all taxation. Let the tax-gatherer reach out his hand to the swollen fortunes of those who have more than plenty and give the ordinary consumer a chance. We ask as a substitute revenue measure for the sugar tax a tax on all incomes over \$5,000 a year. Such a tax will be just, equitable, and fair. Poor indeed must be the patriotism of the man who, making from his business over \$5,000 per year, would begrudge the Government a tax of 1 per cent on all over \$5,000. A person having an income of less than \$5,000 per year would pay nothing.

Mr. Chairman, in conclusion let me say that in the State of Rhode Island, one of the districts of which I have the honor to represent, there is a registration law which compels men to register on or before the 30th day of June in order to be qualified for voting in November. I believe that all the legislation that has been enacted by the Democratic majority of this House, including this legislation, will appeal to my constituents, and in order that they may be fully qualified to discharge their duties in November I appeal to the voters of Rhode Island to register on or before June 30, 1912, so that they may cast their

ballots for the Democratic ticket in November. [Applause on the Democratic side.]

Mr. RAINEY. I yield two minutes to the gentleman from Maryland [Mr. LINTHICUM].

Mr. LINTHICUM. Mr. Chairman, I have the honor to represent that portion of the State of Maryland embracing the northern section of the city of Baltimore. In Maryland we nominate our candidates by direct vote of the people by a method known to us as the Crawford County system, which gives to the voters the choice of their candidates for office. In this way our officials stand close to the people they represent, looking to them for selection as well as election. Under this system it is customary for the various candidates for nomination to issue a statement or platform, setting forth their attitude toward the subjects of public importance confronting the people and pledging their policy in the solution of these questions.

The high cost of living is a subject which the people of my district regard as of paramount importance, and, representing, as I do, both the wealthy and the plain people of our city and State, it was my pledge to them when seeking nomination as a Representative in this Congress that I would, in so far as the power lay in me, by work, action, and vote, endeavor to relieve from taxation as fast as the revenues of the Government would permit those articles termed the necessities of life, and thereby remove from their stomachs and backs this unrighteous, unwarranted, and inhuman burden. In accordance with that pledge to my constituency I welcome the opportunity now afforded this House to say whether or not sugar shall be placed on the free list; and in voting for the removal of the present tax, as I shall do, I desire to submit to this Chamber a statement of the causes which influence me to this action.

RESULTS OF PROTECTION.

In his interesting account Dean Swift tells us how Capt. Gulliver, that illustrious voyager, cast by chance upon the shores of Lilliput, fell into a sleep, from which he awoke to discover himself the captive of a diminutive people by comparison with whom he was an immense giant. Despite his massive bulk and overtowering strength, he found that during his interval of unconsciousness he had been securely bound, the victim of those who, in the rage of his predicament, he fain would have destroyed.

To-day we behold the most prosperous Nation in the world aroused from a period of political adolescence to find itself in the historic predicament of Capt. Gulliver. Awakened at last, the people of these United States discover themselves the prostrate victims of law-defying trusts, illegal combines, and tariff-created monopolies, whose ensnaring meshes render them powerless to escape their exactions; and though, like Gulliver, they possess the strength to tear their enemies asunder, they are for the moment unable to move and can utter only a roar.

This spectacle is the legitimate product of a fair trial of years' duration of the protective-tariff policy of the Republican Party. Within that period, which might properly be termed the "golden age" of trusts, combines, and monopolies, the domination of Congress in the interest of the great industrial organizations of this country was so nearly absolute as to fairly warrant the inference that we were deteriorating from a government of man to a government by property. It is true that in the rearrangement of affairs made necessary by changed conditions the wages of labor have advanced, but nowhere in proportion to the increased cost of living. The balance is on the wrong side of the ledger.

TARIFF AND TRUSTS.

I do not believe my Republican friends will deny that the fertile soil of tariff protection has given root to those industrial consolidations termed "trusts." Likewise, I do not believe that my friends on the other side of this House will deny the statement that accompanying the advent of trusts has come the increase in the cost of the necessities of life. Investigations conducted by agents of this Government reveal these conditions and expose to the public the well-oiled machinery by which the people have been systematically plundered through arbitrary advances in price dictated by no other reason than the desire to secure abnormal profits. It is said, Mr. Chairman, "Though the mills of God grind slowly, yet they grind exceeding small." It is a hopeful augury of the return of better conditions that the Sugar Trust, the Tobacco Trust, and the Oil Trust have been haled into the courts and punished to some extent for their iniquitous and illegal acts, and that the Steel Trust is now awaiting its turn.

But the punishment they have sustained will hardly deter them from a renewal of their guilt if conditions are to remain such as to make possible a repetition of their offenses. It has been said, "Opportunity makes the thief," and I believe that it is admitted as equally truthful that the "tariff breeds monopoly

and monopoly creates trusts." Therefore to strike at the root of the evil we must remove the primary cause, and that is the tariff.

THE SUGAR TRUST.

Of all trusts that have reared their heads under the vicious principle of tariff protection, no other one has so completely embraced all classes of the American people as the Sugar Trust. Its remorseless tentacles exact tribute from every age of mankind, ranging from the infant in the cradle to the feeble patriarch on the brink of the grave. I am glad that in this Congress we are to-day taking the first and most important step toward protecting the American people from a continuance of its rapacity.

In defense of the sugar industry the Republican Party contends that if we deprive it of tariff protection we will destroy one of the country's valuable industrial assets. They believe that such an industry has a right to protection, even though such protection may involve the taxation of the whole American people. The Democratic Party denies this right. It holds that the power to tax was incorporated in our Constitution for the sole purpose of producing revenue to run this Government, economically administered, and that taxation for any other object is not within the purview and intent of those who framed our Constitution. It does not believe that the people of these United States should be taxed in order that special privileges may be extended to any business, any industry, or any class of people.

Special privilege is the rock upon which monarchies are founded. It is incompatible with the theory of our form of government.

Let us examine briefly the operation of the present law under which the sugar industry is protected by the tariff.

The present annual consumption in the United States is set down at 3,500,000 tons, derived from the following sources:

	Tons.
Raw cane, duty paying, chiefly from Cuba.....	1,800,000
Raw cane, domestic, from Porto Rico.....	300,000
Raw cane, domestic, from Louisiana.....	300,000
Raw cane, domestic, from Hawaiian Islands.....	500,000
Total cane sugar.....	2,900,000
Beet sugar produced in United States.....	600,000
Total.....	3,500,000

If the Government got the benefit of this protective tariff in its entirety and received about 1½ cents from each pound which the consumer buys, then conditions would not be quite so inequitable; but the fact is that while the duty destroys all possibility of foreign competition the Sugar Trust—which controls the market—fixes the selling price of all its product at an amount not less than the price of the foreign product plus the tariff. In this way the Sugar Trust collects on the 3,500,000 tons it sells to the American people an amount aggregating about \$115,000,000. It pays duty only on the 1,800,000 tons imported from Cuba, amounting to about \$53,000,000. Thus by this transaction it is enabled to put the remaining \$62,000,000 into its pockets as profits.

But some will say—and may I say it is good Republican doctrine—"We should foster and protect the Louisiana planters and the beet-sugar growers." Let us consider them. These planters and growers furnish about one-fourth of the sugar consumed in the United State. As the duty is over 13 cents per pound, it means that our Republican friends would continue to saddle the American people with a tax equivalent to over 6 cents per pound to benefit the limited few and foster these two American industries.

THE LOUISIANA PLANTERS.

The Louisiana planters of sugar cane have received the fostering care of the Government through protection or bounty for over a hundred years, at a cost to the American people of hundreds of millions of dollars. Yet this industrial infant is crying as lustily as ever for tariff favors. Though this industry has been the recipient of this hothousing process for a century, it is to-day producing only about 8½ per cent of the sugar we require. Surely it is high time that we should return to that Jeffersonian doctrine of equal rights to all and special privileges to none.

BEET-SUGAR INDUSTRY.

Upward of 80 per cent of the property of the beet-sugar industry is owned or controlled by the Sugar Trust. Last year the beet-sugar industries earned about 16 per cent on their stock, one-half of which is watered, earnings equivalent, therefore, to 32 per cent on the actual money invested. It is consequently apparent that the removal of the tariff on sugar is not likely to greatly affect them.

Mr. Chairman, our esteemed leader, Mr. UNDERWOOD, in answer to Mr. RUCKER's question, "When does an industry be-

come an adult?" speaking in reference to the beet-sugar industry, replied: "The time when these industries were really infants runs to a time when the memory of the present generation runneth not to the contrary."

"But that is not so with the beet industry," said Mr. RUCKER. "They are all 'beet' industries," interjected Mr. JAMES, "beating the American people out of money."

This recalls the inordinate greed of the Sugar Trust and the truthfulness of Mr. JAMES's remark.

THE AMERICAN SUGAR REFINING CO.

This gigantic trust, the American Sugar Refining Co., has grown rich and opulent upon the special privileges and benefits dispensed to it under a system of protection promulgated by and sacred to the Republican Party, by means of which it has been enabled to exploit the American people and filch from them hundreds of millions of dollars. This trust, which stifles competition, closes down and dismantles refineries—as it has done at my own city of Baltimore—throwing out of employment hundreds of unfortunates who have secured homes in the vicinity, expecting permanent employment, is controlled by such insatiate greed that it stoops to tricks and devices to which the poorest dealer would spurn to resort. Not satisfied with the advantages obtained, its dupes criminally underweigh imported sugar so that its profits might be even greater than a beneficent Government allows.

It seems, however, that the old adage, "It's an ill wind that blows nobody any good," is especially applicable here. I have heard it said that the San Jose scale was a blessing to the fruit growers in that it compelled them to spray their trees and thereby obtain perfect fruit, which spraying they should have been doing always.

I have heard that the boll weevil was not as disastrous to the prosperity of Texas as at first feared. It compelled the farmers to grow a diversity of crops instead of placing their entire dependence in one crop. Having produced articles for home use, they were not compelled to send outside to buy.

Great political investigations, while disastrous to the immediate participants, have benefited the community at large in that they have cleared the political atmosphere and caused the passage of salutary laws, rendering repetition impossible in the future.

And so I believe that the outrageous fraud perpetrated against the Government by which the pockets of the Sugar Trust were crammed with ill-gotten gain has done as much to awaken the people of this country to a full realization of the true character of that corrupt organization as any other one thing. It helped to place the control of this House in our party, and the people of this country are looking to the Democratic Party to see whether or not it will redeem the pledges by which it came into power and whether they will be given relief from this burden they are now bearing.

I think, Mr. Chairman, that the operation of trusts must have begun during the very early days of the history of man. Matthew, in his scriptural writing, xxiii, 4, uses language that so vividly describes the modern trust that he could have well had it in contemplation when he wrote:

For they bind heavy burdens and grievous to be borne, and lay them on men's shoulders; but they themselves will not move them with one of their fingers.

And that indictment is still true. The trusts, combines, and monopolies which have grown fat under the fostering care of protection will never move a finger to lift this grievous burden of taxation from the shoulders of the American people. Free sugar will lift one of these burdens. That was demonstrated under the McKinley tariff, when the duty was removed, and sugar immediately dropped 2 cents per pound, to the great relief of our people.

We are told, Mr. Chairman, by the patron saints of protection that sugar has always been regarded as one of the natural revenue producers of Government and that the present tax on sugar should therefore be retained in order that the Government may continue to receive the \$53,000,000 now produced by such importation. The Democratic Party proposes to remove this duty from sugar, thereby lifting at the same time \$115,000,000 taxes off the American people. They propose to replace this revenue through the imposition of an excise tax levied against those doing business as individuals and copartnerships whose incomes are in excess of \$5,000 annually.

WHERE THE TAX BELONGS.

I have always believed that the bulk of taxation should be borne by those of large means and great incomes, and that those of limited means, earning their living by the sweat of their brow and by their brawn and muscle creating the wealth of the world, should be freed from this burden as far as possible. It was for this reason that I took pleasure in voting, when a

member of the legislature of my State, for that resolution providing an amendment to the Constitution of the United States known as the income amendment, giving to the National Government the right to tax incomes.

And why is this not the true principle of taxation? Is not a very large part of the revenues of Government expended in the protection of property and property rights from which these incomes are derived? And does not this protection inure to the benefit of the owners of the property?

An excise tax upon the corporate business of the country has been declared constitutional by the Supreme Court, and now the Democratic Party proposes to create an excise tax upon all individual and copartnership business whose incomes are in excess of \$5,000 annually, which merely extends and makes more complete and equitable the corporation-tax law by applying it to all business, whether conducted by a corporation, individual, or firm. Certainly there can be no objection nor any constitutional prohibition. A corporation is nothing more or less than a combination of individuals doing business, and if constitutional to tax the business of a corporation, the same rule would apply with equal force to business when conducted by an individual or firm.

God in His wise providence has seen fit to endow our land with vast natural resources, such as gold, silver, copper, and iron. Mines producing untold wealth, oil wells from which fabulous fortunes have been amassed, have contributed in part to the material blessings of our people. Waterfalls and fast-flowing streams have been harnessed by the inventive genius of man, and the hydroelectric power thus secured used to light cities and towns and villages for miles around, furnishing the substitute by which is relieved the muscles of many toilers and making possible illuminating effects that have become the wonder of the age.

These things have nature given us. Man has merely preempted them. Through this acquisition of easy wealth, as well as through other channels, tremendous fortunes have accumulated that are steadily growing in magnitude year by year, yet failing to pay to Government by way of tax their just proportion for that protection and security which makes possible their peaceful enjoyment.

Justice is the greatest charity that man can give. To take the burden of taxation off the income of the man of small means and place it upon this great accumulation of idle wealth is manifestly right and proper.

PLEDGES FULFILLED.

Reviewing the activities of the Democratic Party during the year it has been in power, I find ample in that record to sustain the confidence of the people. In accordance with its pledges to reduce the cost of living it has passed bills providing for a lower tariff on wool and cotton, a farmers' free list bill, a steel bill, a revision of the chemical schedule, and a number of other important measures essential to the general welfare of the country. There can be no doubt that the one big issue before the country to-day is that of the tariff. So far the Democratic Party has promptly and courageously discharged every obligation in the platform on which it came into power. It is on this record, fully and faithfully carried out, that it will seek a continuation of the people's good will in order that it may finish the work so well begun.

Mr. Chairman, since I have been a member of this Congress I have endeavored to take an active part in its proceedings and to fully and fairly and impartially represent all the people of my district. When this session is ended I shall be able to return to them with a record of votes cast, measures enacted into law, and things accomplished for my district from which they can determine for themselves whether I have proven a worthy representative of their interests, entitled to a continuance of their suffrage.

I will be able to tell them that I have secured the authorization of the necessary survey preliminary to the widening of the important York Spit channel leading to the port of Baltimore; that I am practically assured a change of the present undesirable site for our immigration station and the erection of adequate buildings fully in harmony with the important position of Baltimore as a port of immigrant entry; that I have taken a prominent part in that great national movement under way for good roads, my bill setting forth my ideas as to the treatment of that subject being accorded particular commendation by such national journals as *Colliers* and the *Saturday Evening Post*; that I have advocated that the memorial authorized by Congress to Abraham Lincoln be in the form of a great highway from Washington to Gettysburg, a practical and enduring tribute to his memory; that as an active participant in the work of the Atlantic Deeper Waterways Association I have helped direct the attention of the country to Maryland's intense interest in its plan of waterway improvement; that through the bill

which I introduced in the House of Representatives many hospitals of Baltimore, maintained largely through charitable donations, will have had remitted fines imposed for the technical violation of the alcohol-tax law, amounting to many thousands of dollars, while the hospitals of the country at large will profit to the extent of upward of a million dollars or more; that I have made extensive distribution among my constituents of the valuable and instructive literature issued by the Government. In this record, relating particularly to my district, I take pride. But all this I count as naught in comparison with my support of those measures designed to relieve the people of the tax on their stomachs and backs, and particularly of my support of this bill, which, if passed by the Senate and signed by the President, will relieve the 92,000,000 people of our country from that daily and almost hourly burden.

PROTECTION OF OUR MERCHANT MARINE.

The Panama Canal—that engineering wonder of the world—will soon be finished and opened to the commerce of all nations. Great functions are being arranged to celebrate its opening, and I hope to be there. But I fear I shall be much disappointed when I see great ships plowing through its channels bearing the flags of all nations and behold the absence of many bearing the Star-Spangled Banner, because a tariff system inaugurated and maintained by the Republican Party has practically driven our merchant marine from the high seas. I want to see the policy of the Democratic Party adopted by legislating for the masses and not for the classes and special interests. I want to see the harbor of Baltimore filled as it was under the old régime with ships of burden from every clime; her factories busy producing goods and wares for the markets of the world and not restricted to production for home consumption alone.

Carved in granite on the front of Union Station in Washington is the motto:

He that would bring home the wealth of the Indies, must carry the wealth of the Indies with him.

And so it is. If we would sell to the world, we must destroy our obsolete protective tariff walls and enter into trade relations with all nations, thereby requiring the production of more goods and giving employment to more workmen and more producers. We must be willing to buy from them and to use the goods and wares which they have to exchange if we would have them use the products of American labor.

Mr. RAINEY. Mr. Chairman, how much time have I left?

The CHAIRMAN. The gentleman has 23 minutes.

Mr. RAINEY. I yield the balance of my time to the gentleman from Louisiana [Mr. WICKLIFFE].

Mr. WICKLIFFE. Mr. Chairman, for the first time during my two terms of service in this House I feel it incumbent upon me to oppose in part the action of the Democratic caucus of Friday, March 1, last, to wit, in so far as its recommendation of H. R. 21213, a measure to place sugar upon the free list, is concerned.

It gives me pleasure to state that, in so far as the other measure recommended by that caucus is concerned—H. R. 21214, a measure to levy a special excise tax on incomes—it meets with my hearty approval, and I shall vote for it with great satisfaction, though possibly some of the "committee of wholesale grocers," of which Mr. Frank C. Lowrey is pseudo secretary, may prefer that I should refrain from so doing.

In failing to abide by the caucus action of my party on this occasion, I am in no sense transgressing the rules of our party organization in this House, as such rules very wisely provide that where a member of our party has made pledges to his constituents prior to his election, which pledges would be contravened were such Member to vote as the caucus has directed, he may, after proper notice given of his intentions so to do, refuse to abide by such caucus action. I have complied with the rules of the Democratic caucus in that respect, and as my friends and colleagues on this side of the Chamber well know, I am still "on the reservation."

Mr. Chairman, I wish to register at this time and in this place my most vigorous protest against the passage of the measure first referred to—H. R. 21213—a bill which at one "fell swoop" places sugar upon the free list.

The enactment into law at this time of such a measure, coming as it does without notice or warning of any kind to the producers of that article save since the caucus action of March 1, finding all those engaged in the culture of sugar cane in my State totally unprepared therefor, would for these and many other reasons work ruin to the uttermost in the cane-growing section of my State and my district. The State of Louisiana produced in the year 1910 a crop of 325,000 tons of cane sugar, in round numbers, of a gross value, including the by-products of the cane, of approximately \$30,000,000.

Five of the twelve parishes composing the district which I have the honor to represent produced in that same year approximately 60,000 tons of sugar, nearly one-fifth of all the cane sugar produced in the United States in that year, and of a gross value of over \$5,000,000. I take the year 1910, as that is the last year for which the most accurate figures are now available by parishes.

In addition to the land cultivated in cane in my district, there are situated therein not less than 50 mills engaged in the manufacture of cane sugar or cane sirup. To give an accurate estimate of the value of these mills would be a difficult matter, and I have no figures from any reliable source available at this time so that I could give same in detail. It is safe to say, however, bearing in mind the above limitations on the estimate, that these mills alone, separate from the surrounding lands, represent an outlay of from seven to ten million dollars, exclusive of land values.

Should this measure become a law it would mean the end of cane culture in my district, and the consequential abandonment of all these costly buildings and the surrendering of them to "bats and owls." And however it may be contended that these lands can be turned into other crops, it must be remembered that leaving out the entire matter of improvements referred to, it takes three years to get into cane culture, and it takes three years to go out of cane culture.

To say that this great agricultural industry would not be wiped out by such a law as this enacted at this time is to urge a most illogical proposition; for you would thereby place the cane grower in a position where he must buy, as he has hitherto bought, in a protected market practically everything which he consumes, and must sell in a free-trade market all that he produces.

Every article of importance which he requires, from the plow in the field, which turns the furrow for planting, to the centrifugal in the sugar mill, which ultimately yields up the manufactured product, is on the dutiable list. Every chain in the carrier, every boiler, flywheel, engine, crusher, roller, vacuum pan, filter press, and centrifugal, and the innumerable other parts of the machinery, and so forth, that go to make up the total essentials of the modern sugar mill were purchased in a protected market; and now you would force the cane grower, not by a gradual reduction of the duty, as called for in the Democratic platform, but at one stroke of the free-trade pen, to compete with all the world, with Java, where labor is paid 12 cents per day, and with Cuba, Russia, Germany, and other countries given an equal footing in the American market, and at the same time enjoying many artificial advantages in addition to whatever natural advantages as to climate they may possess over the American cane grower.

I believe the enactment into law of this measure at this time would be as harsh a policy, or even more harsh, than any civilized country has ever adopted toward its citizens or subjects.

The Democratic leaders in the last national convention must have given due consideration to the effect of such legislation, and must have had same in mind when they took the broad and generous view that however contrary to their ideas of economics may have been the method of fostering industries by a protective tariff, they realized that many industries of this country had been so fostered, and however wrong and repugnant to their ideas of taxation the system may have been, nevertheless, realizing that to suddenly and radically change to anything like a free-trade basis would mean ruin and disaster for the time being at least, they very wisely adopted a plank at the Denver convention in 1908 declaring for gradual reduction and not for free trade.

Hence, whatever may be the criticism of the protective tariff system and however indefensible our leaders in that convention may have considered the system by which different industries of the country had been fostered, the Democratic Party gave its solemn pledge to the country that gradual reduction and not sudden and radical free trade would be the policy of our party. Therefore I assert that this measure is directly in contradiction of the letter and spirit of the last national Democratic platform. [Applause.]

I am not contending that the platform of the Democratic Party under any interpretation whatsoever can be construed into meaning that the sugar schedule should not be revised. From a strictly Democratic point of view it is difficult to defend either the duty on refined sugar or the Dutch standard, as contained in the present schedule, as revenue producers. I realize fully that the Democratic members of the Ways and Means Committee look upon this matter almost solely from the standpoint of the revenue which the duty on an article produces. Their ideal maxim has hitherto seemed to be: "A minimum of duty consistent with a maximum of revenue." Therefore I submit that,

in view of the Democratic platform of 1908 and the Democratic ideal just defined, and so often advocated by Democrats upon this floor, that the pending measure is absolutely repugnant to the above doctrine. The Dutch standard and the duty on refined sugar do not result in the production of revenue to the Government, about \$60,000 being collected from the duty on refined sugar last year. But the duty on what is commonly known as raw sugar is right now at a point where it is the most ideal revenue producer of the entire dutiable list, from agate to zinc, the revenue derived therefrom adding annually to the Treasury between fifty and sixty millions of dollars, the amount for the years ending June 30, 1909, June 30, 1910, and June 30, 1911, for example, being, in round numbers, \$56,000,000, \$52,600,000, and \$52,000,000, respectively.

This enormous revenue is derived almost entirely from importations of 96° test sugars, the duty thereon being 1.68½; that is to say, 1.68 cents per pound, importations from Cuba enjoying a 20 per cent reduction.

Now, let us see if this has been practically demonstrated to come within the definition of "A minimum of duty consistent with a maximum of revenue." Under the provisions of the last Democratic tariff measure to become law, the Wilson bill, the duty was 40 per cent ad valorem, and the importations during the three years' existence of that law were, respectively, for the fiscal year ending June 30, 1895, 563,639 tons; for the fiscal year ending June 30, 1896, 1,772,081 tons; and for the fiscal year ending June 30, 1897, 2,243,854 tons, none of which was either free or preferential; and the revenues therefrom for these years were, respectively, \$15,000,000, \$30,000,000, and \$41,000,000, in round numbers, the average being \$29,000,000 per annum, which was yielded from a duty of 40 per cent ad valorem. Under the present duty on raw sugar the importations for the fiscal year ending June 30, 1908, amounted to 1,685,000 tons; for the succeeding year, 2,094,000 tons; and for the succeeding year, 1,900,000 tons, in round numbers, and the revenues derived therefrom were \$50,000,000, \$56,000,000, and \$53,000,000, respectively, notwithstanding the free sugar coming from Porto Rico and Hawaii, amounting to, approximately, an average of 700,000 tons annually for each of those respective years, and the duty-free sugar from the Philippines, which has been coming in since 1909 at the average rate of, say, 200,000 tons per annum. Yet, notwithstanding the enormous percentage of Cuban importations, averaging approximately 1,600,000 tons during the last four years, all of which enjoyed a preferential reduction of duty of 20 per cent, we find the National Treasury to be the recipient of larger revenues from the existing duty on raw sugars than ever before under any former duty. [Applause.]

Now, reducing, theoretically—for the purpose of this illustration—the present specific rate on raw or, rather, 96 test sugar, from 1.68½ specific to its equivalent ad valorem, we find it to amount to a duty of 53 per cent ad valorem. Therefore, we have tried in the most practical manner during the last 17 years both the 40 per cent ad valorem and the equivalent of a 53 per cent ad valorem, respectively, and we find that the former, even when favored by no free nor preferential importation interfering therewith, falls annually more than \$24,000,000 below the 53 per cent equivalent, which yields a total of \$53,000,000 annually. The difference is in reality greater than I have set forth here, as in many years the revenue has been over \$60,000,000.

So we have before us not a mere theoretical idea, but the actual demonstration in recent years that a specific duty of 1.68½—the equivalent of 53 per cent ad valorem—is an ideal Democratic revenue duty, yielding a revenue most ample, and in thorough accord with the Democratic principle, "A minimum of duty consistent with a maximum of revenue," not building a tariff wall so high that none other may come in, nor constructing the fence so low that revenue to run the expenses of the Government will not be yielded amply. [Applause.]

Mr. Chairman, in addition to the reasons which I have just given, there are further reasons that may be urged from the standpoint of our party and its declarations in the platform referred to which have recently been given emphasis in part by our distinguished chairman of the Ways and Means Committee, which, according to my view, furnish strong argument why this measure should not pass this body.

The distinguished chairman of the Ways and Means Committee [Mr. UNDERWOOD] has stated with reference to the effect of the passage of this measure upon the products of domestic sugar:

Placing sugar on the free list will reduce their profits, but it will not destroy the industry in the United States—

thereby demonstrating that it is not the intention of the Democratic leaders to designedly destroy any industry in our

country. In considering this an element to be taken into consideration, the gentleman from Alabama [Mr. UNDERWOOD] evidently had in mind that plank of the Democratic platform referred to, which reprobates the radical swing of the pendulum from protection to free trade.

By the above declaration the gentleman from Alabama at once opens the way to the discussion of the evil effects *vel non* which this radical legislation will have upon those interested in cane culture and sugar making.

The distinguished chairman of the Ways and Means Committee is, however, wholly in error with regard to the ultimate effect of this legislation. For instance, the Hardwick committee finds that the testimony before them from the cane growers of Louisiana is to the effect that the cost of producing raw cane sugar in Louisiana—96 test—is 3½ cents per pound. Now, the gentleman from Alabama claims that the placing of sugar upon the free list will cheapen the cost to the consumer 1½ cents per pound. As the average price even for granulated sugar during the past 10 years has been 5 cents, approximately, and as the cost of refining and passing through the refiner's hand must be added to the 3½ cents cost of producing raw sugar, in making up the price of granulated it clearly appears that, taking the contention of the gentleman from Alabama [Mr. UNDERWOOD], we find by analyzing the figures that the enactment of this measure into law would reduce the price of raw sugar so that it would be below the cost of production. Thus the immediate prostration and ruin of the entire agricultural section of my State and district in which sugar-cane is grown, would follow. This measure, should it become a law at this particular time, would possibly result in more injury and disaster than anything which could happen in the cane-growing section of my district and State, for the following reasons:

With the advent of the cotton-boll weevil into my State our cotton crop went down from 1,000,000 bales, in round numbers, produced in the year 1904 to as low as one-quarter million bales in 1910; and in the 12 parishes which I have the honor to represent our yield dropped from 180,000 bales in the year 1904 to 10,000 bales in 1910. The relief from this appalling situation was in the main the diversification of crops, especially in so far as the alluvial section of my district was concerned. In the parishes of Pointe Coupee, West Baton Rouge, Iberville, Ascension, and parts of East Baton Rouge, where cane culture had been followed in part for many years with as fair profits as from the usual agricultural avocations, the cotton farmers in great numbers went into cane growing to a more or less extent. Thousands of small farmers owning 50 and 100 and 200 acre farms planted cane and with satisfactory results, selling their cane by tonnage or else on a basis of sugar content, to the different growers who operated mills, until to-day the small farmer is as vitally interested in this legislation as the man who owns many hundred acres. Take the parish of Pointe Coupee as an example—a parish which produced 60,000 bales of cotton in 1904 and only 7,000 bales in 1910—while the transition from cotton to cane is somewhat costly and necessitates different cultural methods, the culture of cane in the parish mentioned last, as well as those heretofore referred to, has been found to be a relief from the present inability of our people to raise cotton under boll-weevil conditions in the alluvial sections of my State and district.

While cane culture in the district which I represent is in the main confined to the western portion thereof, our farmers, not only in the parishes referred to, but all over the remainder of the 12, even in the upland parishes, are following, as one of the avenues of diversification, sirup making on a small scale, and while sirup is not made in large quantities, save in the alluvial section where the larger mills are situated, yet the smaller mills are to-day engaged in making some sirup for sale to local consumers as well as for home use in every parish of my district, while in the alluvial section brands of sirups, famous throughout the land, are made under most modern improved methods and by costly machinery.

However small the outfit of the humblest sirup maker in the pine lands of Louisiana may be, the passage of this measure will affect him in proportion to his circumstances and the amount of his product just as much as it will affect the owner and grower on the large plantations in proportion to investment, for sirups as well as sugar are placed on the free list by the provisions of this measure.

Mr. Chairman, I desire to disabuse the minds of the Members of this House of the false impression that many seem to have, to the effect that only a few large landed proprietors would be adversely affected by the passage of this legislation. Whatever of truth there may have been in such a statement with reference to conditions in former years, the facts are to-day as I have stated them, and thousands of our farmers in the alluvial

sections of our State, who formerly grew cotton, are now growing cane as their staple product.

You are not striking down solely the large landed proprietors; you are including in the tumbrels of this revolutionary measure thousands of hard-working and industrious farmers who, when their cotton crops had been destroyed by the cotton-boll weevil, bravely turned to this avenue of agriculture instead of giving up in despair as some might have done, until to-day, all over the alluvial sections of Louisiana, the culture of cane has greatly increased. I admit that there are some men of large means who are engaged in this industry, though they are few in numbers in comparison with the number of individuals of small means who grow sugar cane.

There are men engaged in this pursuit who have been successful, and there are those similarly engaged upon whom fortune has not smiled; some have been successful through their own efforts, industry and thrift counting in this calling just as in any other, and likewise there have been those who, through no fault of their own, have been less fortunate than the first. But so it is with regard to every avocation which man may follow.

In considering the disaster resulting to my State, in the event this measure should become a law, it must be remembered that, in addition to the actual cane growers whom it would ruin, there will be also cut off from both common and skilled labor an important avenue of employment, while those who have made a specialty or profession of this important avenue of agriculture, such as sugar makers, sugar chemists, and so forth, will find themselves with no field for employment in the land of their nativity.

Thus coming right upon the heels of the boll-weevil disaster, which reduced Louisiana's cotton crop 75 per cent, the ruin of the cane-growing industry would see our State with her two main agricultural pursuits prostrate at the same time. In opposing this measure I am acting in no wise from any private selfish motive for gain to myself individually, but am serving the best interest of the people whom I represent.

In so far as any private interests of my own are concerned, I will say that I am not engaged in cane growing and have no moneyed interests whatsoever therein. I was reared on a cotton farm and still reside in the uplands of Louisiana. The parish of West Feliciana, where I reside, is only partially alluvial, though in those sections which are alluvial cane is grown as successfully as in any portion of the State.

The State farm, which is in my parish, has in recent years been placed under cane culture, changing from cotton to that industry for the reasons I have heretofore described, and only last year a sugar factory was erected by the State of Louisiana thereon at a cost of nearly \$400,000. This represents an investment toward which every taxpayer in Louisiana has contributed, and on their behalf, also, I wish to again reiterate my protest against this legislation which once effective will mean a practically total loss of the large sum so expended.

A great deal has been said here upon this floor with reference to free-sugar legislation being a good way to get rid of the American Sugar Refining Co.'s monopoly.

Let me state right here that the American Sugar Refining Co., more familiarly known as the Sugar Trust, is the worst enemy the Louisiana cane grower has ever known. Not only has this grasping monopoly exacted for years from the Louisiana sugar producer 15 cents per 100 pounds on all sales made to that company, without warrant, consideration, or valid reason, other than its insatiable greed to exact tribute from those who are helpless to protect themselves, but they have in every covert and, in my opinion, illegal way known to the most artful dodger of the Sherman antitrust law, ground underfoot the Louisiana sugar producer for the trust's own private gain.

The methods of the American Tobacco Co. in the past toward the tobacco growers of Tennessee and other sections were not more reprehensible than those of the Sugar Trust toward the Louisiana producer; and as a crowning infamy we find this corporation caught red-handed in the act of smuggling sugar into the United States, thereby indirectly robbing the Federal Treasury of millions of dollars in just import duties and at the same time illegally bringing into the American market their raw material in direct competition with and in order to further beat down the price of the Louisiana producer of 96-test sugar. And now the Ways and Means Committee of the Democratic Party in this House, while honestly and sincerely believing that they were acting against the selfish interest of this gigantic monopoly, have innocently allowed themselves to be deceived into doing exactly what the Sugar Trust wanted them to do, namely, to admit their raw material duty free, so that they may have to resort to smuggling no more and thus avoid the toils of the law in the days to come, in so far as that particular offense is concerned.

Mr. Chairman, I have read of the bold and daring, though heartless acts of the buccaneers of the Spanish main; I have listened as a child to the pathetic story of the death of the beautiful Theodosia Burr at the impious hands of the heartless outlaws of the high seas; I have as one of the earliest recollections of my childhood days in my Louisiana home still engraved upon my memory the story I learned at my parents' knee of Lafitte, the pirate and his daring band of bold bad men; I have never forgotten the story of Robin Hood and his brave man, Little John, who under the greenwood tree filched the pockets of the rich nobles and opulent merchants of merry England. But in all these men, while there may have been a preponderance of bad, there is some point somewhere in their careers that at least, to some extent, tempers our condemnation of their acts with admiration for their courage and magnanimity; there are some acts for good, or there is some day of repentance, somewhere in their history which causes one to draw the mantle of Christian charity over their faults and their crimes, and at times not only to forgive but even to admire them. Henry Morgan may have been a buccaneer in its true sense of the word, but he had courage and was at least a bold bad man who risked his life in the open; the heartless pirates who took the life of Theodosia Burr sailed in open defiance of all the civilized nations of the world, flying the flag of no country and committing depredations upon all, but their methods were those of the daring robber and not the methods of the sneak thief; Lafitte, whatever infamy may have attached to his early career, wiped out all stain upon his name by joining with old Andrew Jackson and risking his life in defense of yonder flag against a foreign foe, on January 8, 1815; Robin Hood may have robbed the rich traveler and despoiled the nobility wending their way through the forests of Nottinghamshire; but there was the good Friar Tuck to distribute the questionably acquired gate receipts among the poor and lowly according to their needs; but in all the career of this twentieth century smuggler there is but one trait that was ever disclosed, and that trait is insatiable greed for gold, and neither moral nor statute law could stay its hand. Those guilty individuals who doubtless profited most by its illegal acts, came not into the open nor bared their breasts to deadly weapon, as did the buccaneers of old; but calmly seated in some magnificently appointed office suite, had their nefarious work accomplished according to their subtle plans, by causing, forsooth, a number of poor miserable dupes to underweigh imported sugars, by means of spirals or springs as completely and artistically concealed as were the main beneficiaries of this resultant infamy. To those who would study the causes of the present social unrest, the spirit of seeming revolt against almost all organized authority, as well as against the existing order of things in our country, I would recommend the history of the American Sugar Refining Co., and the study of its treatment not only of those with whom it has had business relations, but also its ungrateful conduct toward the Government of these United States without the protecting arm of whose laws this nefarious corporation could not have existed for a moment. Here was a corporation, the officers of which stood most high in the business world. Officers who were men who either by education or environment had had the greatest opportunity to represent and typify the highest and most enlightened business ideals in the great metropolis of our country; men who financially, socially, and mentally stood upon the topmost pinnacle of twentieth century business; and the consequence was that their position necessitated their following a course of rectitude possibly even more than the average man. Not that it is to be contended that any man, be he rich or poor, high or low, should not respect and obey the law. All men should obey the law of God and man alike; but I do contend without justifying the guilt of the one or the other, that he who has amassed a great fortune is far less excusable in violating the law for the sake of further financial gain, in the eyes of all right-thinking men, than was Jean Valjean when he stole a baker's loaf to keep starvation from those whom he loved.

What, then, must be the impression upon the minds of those of socialistic tendencies when they see men who need not one ducat more for their necessary or even their luxurious wants, and desire more for no other purpose save that of gratifying the insatiable maw of money-mad men, stoop to the lowest depths of avarice till in the broad daylight of our modern civilization they will even throw down the challenge of Danton as the gage to battle in such an unholy cause.

And yet the American Sugar Refining Co., whose history is an open book of violations of the law, must now be rewarded by getting their raw material duty free, and together with their associate refining companies they will bring same in from their extensive Cuban holdings without contributing one cent of duty for the support of the Government. Such is the merited hatred of the American people and their Representatives in Congress

for this corporation that whenever you mention the "sugar schedule" their first idea is to make all sugar duty free as a mode of penalizing "the trust." But permit me to respectfully suggest to them that if they wish to penalize through the sugar schedule this trust, which so deeply merits punishment, that the mode of procedure would be to take the duty off their finished product, and not to give them their raw material duty free; but this method of punishment might also catch the Federal Sugar Refining Co., and incidentally "the secretary" of the "committee of wholesale grocers formed for the reduction of the duties on sugar," and as the said "secretary" has been the Moses who has so philanthropically organized himself into a benefactor of the American consumer, such action might appear ungrateful—to some persons.

My view of the way of punishing the Sugar Trust for their violations of the law is by prosecutions in the courts and by sending the guilty officials to a Federal prison, when they have been condemned by the verdict of 12 of their fellow men, and not by rewarding monopoly, as the committee does in this measure, however honest and commendable, though misguided, their intentions may have been.

So this delusive measure is the result in part of the just and righteous indignation of the Democratic Members of this House against the American Sugar Refining Co., who have been caught red-handed in the act of smuggling. And the method of punishment, strange to say, without our Democratic colleagues even being aware of it and totally innocent of all knowledge of the source, has been selected by the refiners themselves, through their agent, one Frank C. Lowrey, who, disguised in the character of a self-constituted committee of wholesale grocers, has by means not only of the well-known yellow slip and other devices aroused the consumers of the country to a pitch of bitter hatred of all domestic producers of sugar, but has also circularized every Member of this body until a majority thereof are sincerely believing that the giving of the refineries their raw material duty free will be the salvation of the ultimate consumers of the land.

Mr. Chairman, in conclusion, let me reiterate, most respectfully, that this measure is beyond a doubt the most indefensible tariff bill ever proposed by our party.

Totally oblivious of the action of all the most enlightened nations of the world in recognizing the revenue-producing powers of a duty on sugar, the great revenue committee of this House recommends this measure. Even free-trade England, the country which is ever held up as par excellence, the ideal of the free trader, has to-day, after years of experiments, been compelled to change its policy, in so far as this article of commerce is concerned, and place a duty for revenue thereon; and such is the revenue law of England to-day. And Lloyd-George and his able associates are not asking for its repeal. Both the income tax and the duty on sugar go hand in hand, even in England, and side by side on the statute book they stand, yielding between them the great bulk of the revenue so necessary to carry on the expenses of that nation, however honestly and economically administered may be her Government.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. WICKLIFFE. Mr. Chairman, I will ask the gentleman to yield me five minutes more.

Mr. MANN. The gentleman can not yield any more. He yielded all the time to the gentleman, but I ask unanimous consent that the gentleman have five minutes more.

Mr. UNDERWOOD. Mr. Chairman, I would like to grant the gentleman more time, but I shall ask unanimous consent when we get back into the House that all gentlemen may have the privilege of extending their remarks in the RECORD. As the debate is limited, I felt that it would be unjust to take more than an hour's time, and I feel that it would be unjust—

Mr. MANN. But debate has not been limited as yet.

Mr. UNDERWOOD. I feel that it would be unjust for anyone else to take more than an hour's time. Therefore I must object to any further extension of time in this way.

Mr. WICKLIFFE. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BURKE of Pennsylvania. Mr. Chairman, how many minutes was the gentleman from Louisiana yielded?

The CHAIRMAN. Twenty-three minutes.

Mr. BURKE of Pennsylvania. I simply wanted to know the exact time given the gentleman, and, having learned it, I suggest that inasmuch as this bill is to wipe out a great industry of his State it was peculiarly fitting that the number of minutes given him by the Democratic Party to speak at its demise was 23. [Laughter.]

Mr. WICKLIFFE. Mr. Chairman, to conclude my remarks, examine this measure from whatever angle you may it is found to be un-Democratic to the core.

The principles of Jefferson can never be twisted into such corkscrew proportions as to command us as his disciples of a later day and generation to write a schedule on our statute books which, becoming a law to-day, would say to those who have up to this hour been defended by a 50 per cent or 60 per cent duty shall to-morrow sell their product in the free-trade markets of the world while they continue to buy all they consume in the highly protected markets of America. It may be that in opposing this measure I may be considered by some as not so good a party man as others, but come what may, I shall never cast my vote nor lift my voice in favor of any measure which, in addition to being both discriminatory and unjust, is in direct contravention of the welfare of those whom I represent, as well as a measure which is totally repugnant to the solemn pledges made by me to my constituency prior to election.

I know it sounds well upon this floor to hear a Member of this body eulogize the ideal of legislating in the interest of 90,000,000 people instead of looking to the interests of the 190,000 in each of their respective districts. But however meritorious such ideal may be—and none can dispute its broad-mindedness—I for one shall never vote to sacrifice my own people who have reposed a confidence in me, under the plea of the benefits to be derived from this bill to all of the consumers of the Nation, when I know, or at least honestly believe, that instead of redounding to the ultimate benefit of the consumers of the land that the chief beneficiaries of this legislation would be the millionaire sugar refiners who to-day sit in their magnificent offices somewhere around 138 Front Street, New York City, and smilingly await this punishment which my Democratic brethren are meting out to them, much as the proverbial rabbit regarded the briar patch just before the little boy threw him in.

I reiterate, Mr. Chairman, my solemn and sincere opposition to this measure, and I now declare that I shall never accept as Democratic a measure, which says to my people who repose their confidence in me, "You must buy in a protected market all that you consume and you must sell in the free-trade markets, open to the world, all that you produce."

Mr. UNDERWOOD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. ADAIR, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 21213, to revise the sugar schedule, and had come to no resolution thereon.

WITHDRAWAL OF PAPERS.

By unanimous consent leave was granted—

To Mr. ALEXANDER to withdraw from the files of the House, without leaving copies, papers in the case of Thomas Brewer, H. R. 6842, Fifty-eighth Congress, no adverse report having been made thereon.

To Mr. MORRISON, to withdraw from the files of the House, without leaving copies, papers in the case of Milton F. Davenport, H. R. 6528, Fifty-second Congress, no adverse report having been made thereon.

ENROLLED JOINT RESOLUTION SIGNED.

The SPEAKER announced his signature to enrolled joint resolution of the following title:

S. J. Res. 89. Joint resolution to amend the joint resolution to prohibit the export of coal or other material used in war from any seaport of the United States.

THE SUGAR SCHEDULE.

Mr. UNDERWOOD. Mr. Speaker, at the request of gentlemen on both sides of the House, I ask unanimous consent that all gentlemen who have spoken upon this bill may extend and revise their remarks in the RECORD, and that all other Members in the House may have five legislative days after the passage of the bill within which to print in reference to the subject matter of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. MANN. Mr. Speaker, reserving the right to object, why does the gentleman make the request at this time, when the House is still continuing in debate on the bill and gentlemen are still entitled to debate the bill in the committee, where it is far more important and educating to hear the speeches than it is to have them printed—to "can" them?

Mr. UNDERWOOD. Mr. Speaker, I stated to the House that I made this request at the desire of gentlemen on both sides of the House.

The SPEAKER. Is there objection?

Mr. MANN. At least until debate has been limited, I shall object.

The SPEAKER. The gentleman from Illinois objects.

Mr. UNDERWOOD. Mr. Speaker, I wish to state to the House that if the House desires to do so, by unanimous consent—and I address my remarks to the leader of the minority—I shall ask unanimous consent that the House take a recess at this time until half past 7, and that from half past 7 until 11 o'clock to-night there shall be a session for debate only upon this bill.

Mr. MANN. Mr. Speaker, reserving the right to object, I desire to state that I have been listening to speeches very carefully and attentively, and I hope beneficially, from both sides of this House for about six hours. While I shall not object to the request of the gentleman, if the House takes a recess until half past 7, when it reconvenes I shall insist upon the presence of a quorum of the House and the presence of a quorum of the committee during the continuance of the debate on a bill so important as this, at this time in the session, when we have plenty of time to really debate the subject for the real information of the House.

ADJOURNMENT.

Mr. UNDERWOOD. Mr. Speaker, the gentleman's statement makes it apparent that we would spend most of the night getting a quorum. Therefore I shall not renew the request. I therefore move that the House do now adjourn.

The motion was agreed to; and accordingly (at 6 o'clock and 10 minutes p. m.) the House adjourned until Friday, March 15, 1912, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Acting Secretary of Commerce and Labor, submitting an estimate of appropriation for the purchase of additional land contiguous to the site owned by the United States used for the Bureau of Standards (H. Doc. No. 621); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Attorney General of the United States, responding to House resolution asking for copy of charges filed against Leslie J. Lyons, United States district attorney for the western district of Missouri, saying, by direction of the President, in his opinion it is not compatible with the public interest to furnish the information desired (H. Doc. No. 620); to the Committee on the Judiciary and ordered to be printed.

3. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report of examination and survey of Carvers Harbor, Vinalhaven, Me. (H. Doc. No. 624); to the Committee on Rivers and Harbors and ordered to be printed with illustrations.

4. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report of examination and survey of Nehalem Bar and entrance to Nehalem Bay, Oreg. (H. Doc. No. 623); to the Committee on Rivers and Harbors and ordered to be printed with illustrations.

5. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report of examination and survey of ship canal between Port Townsend Bay and Oak Harbor (H. Doc. No. 625); to the Committee on Rivers and Harbors and ordered to be printed.

6. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report of examination and survey of Carrabelle Harbor, Fla. (H. Doc. No. 622); to the Committee on Rivers and Harbors and ordered to be printed.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. PRAY: A bill (H. R. 21883) for the purchase of a site for a Federal building for the United States post office at Glendive, Mont.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 21884) for the purchase of a site for a Federal building for the United States post office at Anaconda, Mont.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 21885) to provide for the erection of a public building at Kalispell, in the State of Montana; to the Committee on Public Buildings and Grounds.

By Mr. STEPHENS of Texas: A bill (H. R. 21886) pensioning the surviving officers and enlisted men of the Texas Volunteers employed in the defense of the frontier of that State against Mexican marauders and Indian depredations from January 1, 1851, to January 1, 1861, and from 1866 to 1876, inclusive, and for other purposes; to the Committee on Pensions.

By Mr. STEPHENS of Nebraska: A bill (H. R. 21887) for the restoration of annuities to the Medawakanton and Wahpaukoota (Santee) Sioux Indians declared forfeited by the act of February 16, 1863; to the Committee on Indian Affairs.

By Mr. SCULLY: A bill (H. R. 21888) providing for the sale of the United States unused post-office site at Perth Amboy, N. J.; to the Committee on Public Buildings and Grounds.

By Mr. COVINGTON: A bill (H. R. 21889) to amend the act to regulate commerce, approved February 4, 1887, as heretofore amended; to the Committee on Interstate and Foreign Commerce.

By Mr. SPARKMAN: A bill (H. R. 21890) to provide for a site and public building at Key West, Fla.; to the Committee on Public Buildings and Grounds.

By Mr. FERRIS: A bill (H. R. 21891) authorizing the Secretary of the Interior to withdraw certain funds for the support and maintenance of the Kiowa, Comanche, and Apache Indians in Oklahoma; to the Committee on Indian Affairs.

Also, a bill (H. R. 21892) for the relief of the Wichita and affiliated bands of Indians; to the Committee on Indian Affairs.

By Mr. GARNER: A bill (H. R. 21893) to provide for the acquisition of a site and the erection of a public building thereon at Seguin, Tex.; to the Committee on Public Buildings and Grounds.

By Mr. McLAUGHLIN: A bill (H. R. 21894) to provide additional appropriation for Federal building at Cadillac, Mich.; to the Committee on Public Buildings and Grounds.

By Mr. LINDBERGH: A bill (H. R. 21895) requiring the Government to furnish post-office boxes free to regular patrons of post offices in towns, villages, and cities in which there is no free delivery; to the Committee on the Post Office and Post Roads.

By Mr. THOMAS: A bill (H. R. 21896) for the erection of a public building at Russellville, Logan County, Ky.; to the Committee on Public Buildings and Grounds.

By Mr. O'SHAUNESSY: A bill (H. R. 21897) making appropriation for the improvement of the harbor of refuge, Block Island, in the State of Rhode Island; to the Committee on Rivers and Harbors.

By Mr. WILSON of Pennsylvania: A bill (H. R. 21898) to create a department of agriculture and labor in Porto Rico, the head of which shall be a member of the executive council of Porto Rico; to the Committee on Insular Affairs.

By Mr. ADAMSON: A bill (H. R. 21899) to authorize additional aids to navigation in the Lighthouse Establishment, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LENROOT: A bill (H. R. 21953) for the erection of a public building at Merrill, Wis.; to the Committee on Public Buildings and Grounds.

By Mr. RAKER: A bill (H. R. 21954) to amend an act entitled "An act to set apart a certain tract of land in the State of California as forest reservations," approved October 1, 1890, by changing the north and west boundaries of said tract and excluding therefrom certain lands, and to attach and include said excluded lands in the Stanislaus National Forest; to the Committee on the Public Lands.

By Mr. STEPHENS of Texas: Joint resolution (H. J. Res. 269) concerning contracts with Indian tribes or individual Indians; to the Committee on Indian Affairs.

By Mr. NEELEY: Joint resolution (H. J. Res. 270) proposing an amendment to the Constitution providing that judges of the inferior courts shall hold their offices during a term of eight years; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AKIN of New York: A bill (H. R. 21900) granting a pension to Charles La Marsh; to the Committee on Invalid Pensions.

By Mr. CALLAWAY (by request): A bill (H. R. 21901) for the relief of S. E. Harris; to the Committee on War Claims.

Also (by request), a bill (H. R. 21902) for the relief of Lemuel J. Ward; to the Committee on Claims.

Also (by request), a bill (H. R. 21903) for the relief of Ophelia V. Worsham, sole heir of Mary E. Buchanan, deceased; to the Committee on War Claims.

Also (by request), a bill (H. R. 21904) for the relief of the heirs of Rufus L. Watt, sr., deceased; to the Committee on War Claims.

Also (by request), a bill (H. R. 21905) for the relief of the heirs of Daniel Prigmore, deceased; to the Committee on War Claims.

Also (by request), a bill (H. R. 21906) for the relief of the heirs of Obadiah Fatherree, deceased; to the Committee on War Claims.

Also (by request), a bill (H. R. 21907) for the relief of the heirs of James N. Harrell, deceased; to the Committee on War Claims.

Also (by request), a bill (H. R. 21908) for the relief of the widow and the heirs of George F. Parker, deceased; to the Committee on War Claims.

By Mr. CARLIN: A bill (H. R. 21909) granting a pension to George Wood; to the Committee on Pensions.

Also, a bill (H. R. 21910) granting a pension to Martha A. Gee; to the Committee on Pensions.

By Mr. CLINE: A bill (H. R. 21911) granting an increase of pension to Sarah J. Colwell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 21912) granting an increase of pension to John Walter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 21913) granting an increase of pension to Uriah Clark; to the Committee on Invalid Pensions.

Also, a bill (H. R. 21914) granting an increase of pension to Peter S. Hess, guardian of John E. Hess; to the Committee on Invalid Pensions.

Also, a bill (H. R. 21915) to correct the military record of James Hennessy; to the Committee on Military Affairs.

By Mr. DAUGHERTY: A bill (H. R. 21916) granting a pension to James M. Robinson; to the Committee on Invalid Pensions.

By Mr. DIFENDERFER: A bill (H. R. 21917) granting a pension to Joseph V. Wilkinson; to the Committee on Invalid Pensions.

By Mr. DIXON of Indiana: A bill (H. R. 21918) granting a pension to Harriet Todd; to the Committee on Invalid Pensions.

Also, a bill (H. R. 21919) granting a pension to Isaac Stroude; to the Committee on Invalid Pensions.

Also, a bill (H. R. 21920) granting a pension to William Wright; to the Committee on Pensions.

Also, a bill (H. R. 21921) granting a pension to James H. Sale; to the Committee on Invalid Pensions.

Also, a bill (H. R. 21922) granting an increase of pension to Harvey Deputy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 21923) granting an increase of pension to John A. Allie; to the Committee on Invalid Pensions.

Also, a bill (H. R. 21924) granting an increase of pension to John C. Moncrief; to the Committee on Invalid Pensions.

Also, a bill (H. R. 21925) granting an increase of pension to Henry Daum; to the Committee on Invalid Pensions.

Also, a bill (H. R. 21926) granting an increase of pension to John Files; to the Committee on Invalid Pensions.

Also, a bill (H. R. 21927) granting an increase of pension to Alexander Hancher; to the Committee on Invalid Pensions.

Also, a bill (H. R. 21928) granting an increase of pension to Mary A. Caplinger; to the Committee on Invalid Pensions.

Also, a bill (H. R. 21929) to restore Willis Hampton to the pension roll; to the Committee on Invalid Pensions.

By Mr. ESCH: A bill (H. R. 21930) granting a pension to Chris Sletteland; to the Committee on Pensions.

By Mr. FERRIS: A bill (H. R. 21931) granting an increase of pension to Robert McCleary; to the Committee on Invalid Pensions.

By Mr. FIELDS: A bill (H. R. 21932) granting a pension to William Prater; to the Committee on Invalid Pensions.

Also, a bill (H. R. 21933) granting a pension to Sarah J. Davis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 21934) granting an increase of pension to James M. Woods; to the Committee on Invalid Pensions.

By Mr. GALLAGHER: A bill (H. R. 21935) granting a pension to Luke Condon; to the Committee on Invalid Pensions.

By Mr. GLASS: A bill (H. R. 21936) granting a pension to Hiram C. Howard; to the Committee on Pensions.

By Mr. GOEKE: A bill (H. R. 21937) granting a pension to John Howell; to the Committee on Invalid Pensions.

By Mr. KINKAID of Nebraska: A bill (H. R. 21938) granting an increase of pension to Lester Walker; to the Committee on Invalid Pensions.

By Mr. KONOP: A bill (H. R. 21939) granting an increase of pension to Joseph Feldhausen; to the Committee on Invalid Pensions.

By Mr. LEWIS: A bill (H. R. 21940) granting an increase of pension to John Wiebel; to the Committee on Invalid Pensions.

By Mr. McKELLAR: A bill (H. R. 21941) for the relief of Capt. John Briggs; to the Committee on Claims.

By Mr. NEELEY: A bill (H. R. 21942) granting a pension to William R. Burch; to the Committee on Invalid Pensions.

Also, a bill (H. R. 21943) granting a pension to Mary A. Blake; to the Committee on Invalid Pensions.

Also, a bill (H. R. 21944) granting an increase of pension to Clinton Black; to the Committee on Invalid Pensions.

Also, a bill (H. R. 21945) granting an increase of pension to Henry Cleveland; to the Committee on Invalid Pensions.

By Mr. POWERS: A bill (H. R. 21946) granting a pension to John Storms; to the Committee on Pensions.

Also, a bill (H. R. 21947) granting a pension to Robert Ashurt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 21948) granting a pension to John Bazel; to the Committee on Invalid Pensions.

Also, a bill (H. R. 21949) granting an increase of pension to George W. McFarland; to the Committee on Invalid Pensions.

By Mr. SLAYDEN: A bill (H. R. 21950) for the relief of Julius E. Mugge; to the Committee on Claims.

By Mr. STEPHENS of Texas: A bill (H. R. 21951) granting a pension to William C. Farrington; to the Committee on Pensions.

By Mr. TALBOTT of Maryland: A bill (H. R. 21952) for the relief of James S. Baer; to the Committee on Military Affairs.

By Mr. CLAYPOOL: A bill (H. R. 21955) granting an increase of pension to Fred F. Runion; to the Committee on Invalid Pensions.

Also, a bill (H. R. 21956) granting an increase of pension to William H. Wilson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 21957) granting an increase of pension to Benjamin F. Fellows; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ANDERSON of Minnesota:—Petition of C. H. White and 13 others, of Chatfield, Minn., against extension of the parcel-post system; to the Committee on the Post Office and Post Roads.

By Mr. ANSBERRY: Petitions of A. R. Fawley, of Bryan, and H. Brown & Co., of Holgate, Ohio, for amending the copyright act of 1909; to the Committee on Patents.

By Mr. ASHBROOK: Petitions of A. L. Thomas, of Newark, Ohio; H. A. Ackey and Ackey & Tallman, of New Philadelphia, Ohio, theater managers, asking for the passage of House bill 20595, the Townsend copyright bill; to the Committee on Patents.

By Mr. BROWNING: Petition of citizens of the State of New Jersey, for a suffrage amendment to the Constitution; to the Committee on the Judiciary.

Also, petition of the Society of Friends of Woodstown, N. J., for passage of House joint resolution 163; to the Committee on the Judiciary.

By Mr. CALDER: Petition of the Chamber of Commerce of Pittsburgh, Pa., also indorsed by various other bodies, protesting against the passage of House bill 21292, to amend "An act to authorize the construction of a bridge across the Monongahela River in the State of Pennsylvania by the Liberty Bridge Co."; to the Committee on Interstate and Foreign Commerce.

Also, petition of the president of the Idson Amusement Co., Arcade Theater, 350 Myrtle Avenue, Brooklyn, N. Y., favoring the amendment known as House bill 20595 to section 25 of the copyright act of 1909; to the Committee on Patents.

Also, petition of J. Malaghan, Franklin Airdome Theater, Brooklyn, N. Y., favoring the amendment known as House bill 20595 to section 25 of the copyright act of 1909; to the Committee on Patents.

Also, petition of N. P. Heffley, president of the Heffley School, of Brooklyn, N. Y., favoring the amendment known as House bill 20595 to section 25 of the copyright act of 1909; to the Committee on Patents.

By Mr. CLINE: Petition of the Woman's Christian Temperance Union of Ray, Ind., for passage of an effective interstate liquor law; to the Committee on the Judiciary.

Also, petition of citizens of La Grange, Ind., protesting against parcel-post legislation; to the Committee on the Post Office and Post Roads.

Also, petitions of citizens of the State of Indiana, for construction of one battleship in a Government navy yard; to the Committee on Naval Affairs.

Also, petitions of citizens of the State of Indiana, for amending the copyright act of 1909; to the Committee on Patents.

By Mr. COVINGTON: Petition of the Woman's Christian Temperance Union of Aberdeen, Md., for passage of the Kenyon-Sheppard interstate liquor bill; to the Committee on the Judiciary.

By Mr. DRAPER: Petition of the Woman's Christian Temperance Union of Polstenkill, N. Y., for passage of Kenyon-Sheppard interstate liquor bill; to the Committee on the Judiciary.

By Mr. DANIEL A. DRISCOLL: Petitions of citizens of the State of New York, for amending the copyright act of 1909; to the Committee on Patents.

Also, memorial of the Tompkins County (N. Y.) Pomona Grange, relative to oleomargarine legislation; to the Committee on Agriculture.

Also, petition of Local Union No. 128, International Brotherhood of Blacksmiths, of Buffalo, N. Y., for construction of one battleship in a Government navy yard; to the Committee on Naval Affairs.

By Mr. DOREMUS: Petitions of citizens of East Lake, Mich., protesting against parcel-post legislation; to the Committee on the Post Office and Post Roads.

By Mr. ESCH: Petitions of citizens of La Crosse, Neillsville, and Black River Falls, Wis., protesting against the Lever oleomargarine bill; to the Committee on Agriculture.

Also, papers to accompany bill for the relief of Chris Slette-land; to the Committee on Pensions.

Also, petition of the Woman's Christian Temperance Union of Loyal, Wis., for passage of Kenyon-Sheppard interstate liquor bill; to the Committee on the Judiciary.

By Mr. FITZGERALD: Petitions of citizens of New York City, for construction of one battleship in a Government navy yard; to the Committee on Naval Affairs.

Also, petitions of the California Club, of California, and council of the city of Alameda, Cal., protesting against a reduction in appropriation for the operation of the San Francisco Mint; to the Committee on Appropriations.

Also, memorial of the First Unitarian Church of Oakland, Cal., for increased appropriation to more effectively enforce the white-slave traffic act; to the Committee on Appropriations.

Also, petition of the Chamber of Commerce of the State of New York, relative to toll rates through the Panama Canal; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the board of directors of the Syracuse (N. Y.) Chamber of Commerce, relative to appropriation for the Fifth International Congress of Chambers of Commerce; to the Committee on Appropriations.

Also, memorial of the Chamber of Commerce of the State of New York, protesting against proposed reduction in appropriation for the Diplomatic and Consular Service; to the Committee on Appropriations.

By Mr. FORNES: Petition of Phil Sampson, of New York City, for amending the copyright act of 1909; to the Committee on Patents.

Also, memorial of the Chamber of Commerce of the State of New York, urging establishment of marine schools; to the Committee on the Merchant Marine and Fisheries.

Also, petition of a Catholic society of New York City, in regard to measures relating to Catholic Indian mission interests; to the Committee on Indian Affairs.

By Mr. FOSTER of Illinois: Petition of citizens of Marion County, Ill., in favor of House bill 14—parcel post; to the Committee on the Post Office and Post Roads.

Also, petition of citizens of New Baden, Ill., in favor of House bill 16450, to protect shipments from one State to another; to the Committee on the Judiciary.

By Mr. FULLER: Petition of Mike Donahue, of Streator, Ill., in favor of the passage of House bill 17470, to pension widows of Spanish War veterans; to the Committee on Pensions.

Also, petition of Manley Munson, of Manchester, and A. H. Young, of Sheridan, Ill., in favor of the passage of a parcel-post law; to the Committee on the Post Office and Post Roads.

Also, petition of E. N. Howell, of Dixon, Ill., against the establishment of a parcel post; to the Committee on the Post Office and Post Roads.

Also, petition of the Illinois Wholesale Grocers' Association, of Peoria, Ill., favoring 1-cent letter postage; to the Committee on the Post Office and Post Roads.

Also, petitions of Charles Bukenbend and Murray & Kings, of La Salle, Ill.; E. E. Johnson and H. Noben, of Rockford, Ill.;

Clapp & Jewett, of Mazon, Ill.; and Charles A. Schaefer, of Sycamore, Ill., all in favor of the passage of the Townsend bill (H. R. 20595) to amend section 25 of the copyright act of 1909, etc.; to the Committee on Patents.

By Mr. HAMILTON of Michigan: Petitions of the Woman's Christian Temperance Unions, churches, and church organizations in the State of Michigan, for passage of Kenyon-Sheppard interstate liquor bill; to the Committee on the Judiciary.

Also, petitions of citizens of Cloverdale and Niles, Mich., urging the enactment of parcel-post legislation; to the Committee on the Post Office and Post Roads.

By Mr. HAMMOND: Petition of Mr. Feece Lewis and 42 others, of Lake Crystal, Minn., in opposition to the Lever bill; to the Committee on Agriculture.

By Mr. HELGESEN: Petition of 75 citizens of Devils Lake, Burnstad, Martin, Overly, Dunseith, Throne, and Marshall, all in the State of North Dakota, asking for a reduction in the duty on raw and refined sugar; to the Committee on Ways and Means.

Also, petitions of 25 residents of Edinburg, Park River, Anamoose, Hillsboro, Drayton, Blue Grass, Buffalo, Minot, Mad-dock, and Milton, all in the State of North Dakota, asking for a reduction in the duty on raw and refined sugar; to the Committee on Ways and Means.

Also, petition of G. O. Frank, of Minot, N. Dak. and 120 other business men of the State, protesting against the passage of any parcel-post bill; to the Committee on the Post Office and Post Roads.

By Mr. HILL: Petition of members of North Cornwall Grange, protesting against the reestablishment of the canteen; to the Committee on Military Affairs.

Also, petition of citizens of South Norwalk, Conn., favoring the construction of one battleship in a Government navy yard; to the Committee on Naval Affairs.

Also, petition of Concord Division, No. 2, Sons of Temperance, Norwalk, Conn., for passage of the Kenyon-Sheppard interstate liquor bill to remove the Federal shield of interstate commerce from liquors shipped into any State for illegal use; to the Committee on the Judiciary.

Also, petitions of citizens of Bridgeport and Danbury, Conn., favoring the construction of one battleship in a Government navy yard; to the Committee on Naval Affairs.

By Mr. HOWELL: Petition of the Woman's Christian Temperance Union of Ogden, Utah, urging passage of Kenyon-Sheppard interstate liquor bill; to the Committee on the Judiciary.

Also, petition of Ogden (Utah) Lodge, International Association of Machinists, against the so-called Taylor system of scientific management in Government arsenals and navy yards; to the Committee on Labor.

By Mr. KENDALL: Petition of citizens of Montezuma, Iowa, for passage of the Haugen bill; to the Committee on Agriculture.

By Mr. McHENRY: Petition of citizens of Exchange, Strawberry Ridge, and Turbotville, Pa., asking for the immediate passage of parcel-post bill (H. R. 14); to the Committee on the Post Office and Post Roads.

By Mr. McMORRAN: Petition of citizens of Port Huron, Mich., with reference to the Hobson prohibition bill; to the Committee on the Judiciary.

Also, petition of citizens of Port Huron, Mich., with reference to the Kenyon-Sheppard bill; to the Committee on the Judiciary.

By Mr. MAHER: Petition of Herman Mayer, of Brooklyn, N. Y., for amending the copyright act of 1909; to the Committee on Patents.

By Mr. MONDELL: Petition of various merchants of Casper, Wyo., protesting against the enactment of any legislation extending the parcel-post system in the United States; to the Committee on the Post Office and Post Roads.

Also, petition of citizens of the State of Wyoming, urging an appropriation for the building of at least one battleship in a Government navy yard; to the Committee on Naval Affairs.

Also, petitions of citizens of Alcova, Grueb, and Mayoworth, Wyo., in favor of parcel-post legislation; to the Committee on the Post Office and Post Roads.

By Mr. MOTT: Petitions of Granges Nos. 19 and 59, Patrons of Husbandry, against the Lever oleomargarine bill; to the Committee on Agriculture.

By Mr. LEWIS: Memorial of citizens of Crellin, Md., praying the passage of laws preventing the shipment of intoxicating liquors from States permitting the sale of intoxicating liquors into States wherein the sale and license for such liquors is denied; to the Committee on the Judiciary.

Also, petition of the Seventh-day Adventist Church of Takoma Park, Md., praying the passage of the Kenyon-Sheppard interstate liquor bill; to the Committee on the Judiciary.

Also, petition of members of the Woman's Christian Temperance Union of Thurmont, Md., praying the speedy passage of the Kenyon-Sheppard interstate liquor bill; to the Committee on the Judiciary.

Also, petition of Walter R. Lynch, general secretary of Central Young Men's Christian Association, and 67 other citizens of Cumberland, Md., praying the speedy passage of the Kenyon-Sheppard interstate liquor bill; to the Committee on the Judiciary.

By Mr. LINDSAY: Petition of Cleve H. Flanigan, of Philadelphia, Pa., for passage of special pension bill H. R. 17624; to the Committee on Invalid Pensions.

Also, petitions of citizens of Brooklyn, N. Y., for amending the copyright act of 1909; to the Committee on Patents.

By Mr. LANGLEY: Petitions of members of Improved Order of Red Men of tenth congressional district of Kentucky, for an American Indian memorial and museum building in the city of Washington, D. C.; to the Committee on Public Buildings and Grounds.

Also, petition of members of the International Brotherhood of Maintenance-of-Way Employees, Chesapeake & Ohio Railway, for construction of one battleship in a Government navy yard; to the Committee on Naval Affairs.

By Mr. LOUD: Petition of William Wilson and 30 other residents of Beaverton, Mich., favoring parcel post; to the Committee on the Post Office and Post Roads.

By Mr. NEEDHAM: Petitions of the Woman's Christian Temperance Unions of Fresno and Oakdale, Cal., for passage of Kenyon-Sheppard interstate-liquor bill; to the Committee on the Judiciary.

Also, petition of Oakland (Cal.) Center of the California Civic League, for more effective enforcement of the white-slave traffic act; to the Committee on the Judiciary.

Also, petition of citizens of Parkfield, Cal., for enactment of parcel-post legislation; to the Committee on the Post Office and Post Roads.

Also, memorial of the Steam Schooner Association of San Francisco, Cal., protesting against any change in present administration of the Revenue-Cutter Service; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Yreka (Cal.) Improvement Club, for appropriation to improve Yosemite National Park; to the Committee on Appropriations.

By Mr. NYE: Petition of citizens of St. Bonifacius, Minn., favoring Haugen oleomargarine bill; to the Committee on Agriculture.

Also, memorial of Practical Stonemasons' Local No. 5, of Minnesota, for enactment of House bill 11032; to the Committee on the Judiciary.

By Mr. RAKER: Memorials of the Sacramento Valley Development Association and San Francisco Mining and Scientific Press, relative to House bill 17033; to the Committee on Mines and Mining.

Also, memorial of San Francisco (Cal.) Chamber of Commerce, protesting against reduction in duty on olive oil; to the Committee on Ways and Means.

Also, memorial of the Civic Center of San Leandro, Cal., for a more effective enforcement of the white-slave traffic act; to the Committee on Appropriations.

Also, petition of Dunham, Carrigan & Hayden Co., of San Francisco, Cal., in opposition to House bill 16844; to the Committee on Interstate and Foreign Commerce.

By Mr. REILLY: Petition of Henkle & Joyce Hardware Co., of Lincoln, Nebr., and the Sieg Iron Co., of Davenport, Iowa, in favor of 1-cent postage; to the Committee on the Post Office and Post Roads.

Also, petition of the Woman's Christian Temperance Union of Meriden, Conn., in favor of the Kenyon-Sheppard bill to withdraw from interstate-commerce protection liquors imported into dry territory for illegal use; to the Committee on the Judiciary.

Also, petition of American Association for Labor Legislation, of New York City, in favor of House bill 20842, to tax white phosphorus matches; to the Committee on Ways and Means.

Also, petition of Group 513 of the Polish National Alliance of Wallingford, Conn., against a bill to further regulate the immigration of aliens; to the Committee on Immigration and Naturalization.

Also, petition of Albert McC. Mathewson, of New Haven, Conn., in favor of House bills 16802 and 18244, to make appropriations for increased educational facilities for the Navajo Indians, etc.; to the Committee on Indian Affairs.

Also, petition of Milford Theater, of Milford; Gem Opera House, of Naugatuck; White City Theater, New Haven; Wyo. Poli Theater, Meriden; Star Theater, Meriden; Star San Carlino Theater, New Haven; Bijou Theater, Derby; Queumplag Theater, New Haven; Crystal Theater, Meriden, all in the State of Connecticut, in favor of House bill 20595 to amend section 25 of the copyright law; to the Committee on Patents.

Also, petition of St. Boniface Society, New Haven, Conn., against the proposed inquiry concerning Government institutions in which American citizens wearing the habit of various religious orders are employed; to the Committee on Indian Affairs.

By Mr. RODENBERG: Petition of numerous citizens of Nameoki, Ill., favoring extension of the parcel post; to the Committee on the Post Office and Post Roads.

Also, memorial of Local Union No. 250, Cigarmakers' International Union of America, favoring House bill 17253; to the Committee on Ways and Means.

Also, memorial of International Brick, Tile, and Terra Cotta Workers' Alliance, Belleville, Ill.; Stove Mounters' International Union, Belleville, Ill.; Stove Mounters and Steel Range Workers of Belleville, Ill., favoring the old-age pension bill; to the Committee on Pensions.

Also, memorial of International Association of Machinists, St. Clair Lodge, No. 353, of Belleville, Ill., favoring the Berger old-age pension bill; to the Committee on Pensions.

Also, memorial of Brotherhood of Carpenters and Joiners, Edwardsville, Ill., Local No. 378, favoring House bill 11032; to the Committee on the Judiciary.

Also, memorial of International Union, Local No. 72, Stove Mounters and Steel Range Workers, of Belleville, Ill., favoring House bill 11032; to the Committee on the Judiciary.

By Mr. SHACKLEFORD: Petitions of C. E. Gross and A. E. Holton, of Booneville, and O. B. Wilson, of Columbia, Mo., for amending the copyright act of 1909; to the Committee on Patents.

By Mr. SCULLY: Petitions of citizens of the State of New Jersey, for amending the copyright act of 1909; to the Committee on Patents.

By Mr. SIMS: Petitions of citizens of Parson, Tenn., and Farmers' Educational and Cooperative Union of America, Local No. 294, of Henderson County, Tenn., favoring the parcel post; to the Committee on the Post Office and Post Roads.

By Mr. SMALL: Petition of J. A. Leigh and other citizens of Belhaven, N. C., favoring House bill 16819, extending free mail delivery in towns of less than 10,000 population; to the Committee on the Post Office and Post Roads.

By Mr. STEPHENS of California: Petition of F. A. McBurney, of Hollywood, Cal., for passage of Kenyon-Sheppard interstate liquor bill; to the Committee on the Judiciary.

By Mr. TALBOTT of Maryland: Petitions of merchants of Carroll County, Md., asking that the duties on raw and refined sugars be reduced; to the Committee on Ways and Means.

Also, petitions of churches in Carroll County, Md., for passage of Kenyon-Sheppard interstate liquor bill; to the Committee on the Judiciary.

By Mr. THISTLEWOOD: Petition of the Woman's Christian Temperance Union, of Thomsonville, Ill., favoring the Kenyon-Sheppard liquor bill; to the Committee on the Judiciary.

Also, petition of citizens of Cambria, Ill., favoring Senate bill 3953 and House bill 16313; to the Committee on Public Buildings and Grounds.

Also, petition of Retail Merchants' Association of Duquoin, Ill., favoring Senate bill 4308 and House bill 17736; to the Committee on the Post Office and Post Roads.

Also, petitions of citizens of Cairo, Ill., against extension of the parcel post; to the Committee on the Post Office and Post Roads.

Also, memorial of Illinois Farmers Institute, favoring the Haugen oleomargarine bill; to the Committee on Agriculture.

By Mr. TOWNER: Petition of C. V. Drew and 26 other citizens of Creston, Iowa, favoring the passage of House bill 16214; to the Committee on the Judiciary.

By Mr. WHITACRE: Petition of Lodge No. 40, A. A. of I. S. and T. W., of Youngstown, Ohio, for removal of tax on oleomargarine; to the Committee on Agriculture.

By Mr. YOUNG of Kansas: Petitions of citizens of Ellis, Russell, and Trego Counties, Kans., protesting against the passage of parcel-post legislation; to the Committee on the Post Office and Post Roads.

Also, petitions of citizens of Ellis, Russell, and Trego Counties, Kans., for regulation of express rates and classification; to the Committee on Interstate and Foreign Commerce.